Finance
Special Operating Agencies
Financing Authority

Annual Report
2004 – 2005

Manitoba

106-00309/

Manitoba

Rapport annuel 2004 - 2005

Finances

Office de financement des organismes de service spécial

Contient 10 % de déchets recyclés après consommation

MINISTER OF
FINANCE

[illegible]

The Honourable John Harvard
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour:

I have the privilege of presenting for the information of Your Honour the Thirteenth Annual Report of the Special Operating Agencies Financing Authority for the fiscal year ended March 31, 2005.

Respectfully submitted,

Greg Selinger

Honourable Greg Selinger
Minister

MINISTER OF
FINANCE

[illegible]

À son Honneur
L'honorable John Harvard
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C 0V8

Monsieur le Lieutenant-gouverneur,

J'ai le privilège de présenter à Votre Honneur, à titre d'information, le treize rapport annuel de l'Office de financement des organismes de service spécial pour l'exercice terminé le 31 mars 2005.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

Le ministre des Finances,

Greg Selinger

Greg Selinger

Manitoba

Finance

Treasury Board Secretariat

2nd Floor - 386 Broadway
Winnipeg, Manitoba
R3C 3R6

Honourable Greg Selinger
Minister of Finance
Room 103, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Minister:

I have the honour to submit for your consideration the Thirteenth Annual Report of the Special Operating Agencies Financing Authority for the fiscal year ended March 31, 2005.

Respectfully submitted,

Wayne L McIntosh

Wayne L. McIntosh
Acting Chairperson,
Special Operating Agencies Financing Authority

Table of Contents

TITLE	PAGE
Title Page	1
Minister's Letter	3
Acting Chairperson's Letter	7
Table of Contents	9
The Special Operating Agencies Initiative / *L'initiative relative aux organismes de service spécial*	11
The Special Operating Agencies Financing Authority / *L'Office de financement des organismes de service spécial*	14
2004/05 Operations / *Activités pendant l'exercice 2004-2005*	16
Financial Highlights / *Faits saillants financiers*	16
Preparations for New Agencies and Subsequent Events / *Préparations pour de nouveaux organismes et des manifestations ultérieures*	17
Accomplishments / *Réalisations*	17
2005/06 Plans / *Plans pour l'exercice 2005-2006*	18
Agency Results through 2004/05 / *Résultats des organismes durant l'exercice 2004-2005*	19
Management Report	41
Auditors' Report	43
Financial Statements	44
Combined Balance Sheet	44
Combined Statement of Income and Retained Earnings	45
Combined Statement of Cash Flows	46
Notes to the Financial Statements	47
Appendix – Agency Financial Statements	59

The Special Operating Agencies Initiative

The Province of Manitoba adopted Special Operating Agencies (SOAs) as a program delivery and financing option in 1992. SOAs are service operations within government granted more direct responsibility for results and increased management flexibility needed to reach new levels of performance. Through strengthened accountability to their Minister and central government, they can improve the delivery of services by:

- ensuring operations are clearly defined and well understood;
- setting demanding performance goals and developing strategies for attaining them;
- applying the best public sector management practices; and
- monitoring performance to ensure continuous progress toward goals.

The aim of SOAs is to give greater authority and scope to managers and employees to encourage initiative, enhance service, and reduce the cost of government. Service and management improvements are built on pride in the capabilities and dedication of the professional Civil Service. The ultimate success of SOAs depends on people and the enthusiasm they bring to the job.

SOAs exist along an organizational continuum between a government department and a Crown corporation. Candidates can be direct public services, internal services to government, science and technology services, or regulatory and enforcement programs. In addition to accounting fully for their operations, they must be dedicated to improving service quality and efficiency.

L'initiative relative aux organismes de service spécial

En 1992, la province du Manitoba a adopté les organismes de service spécial (OSS) à titre d'option de financement et de prestation de programmes. Les OSS, qui assurent un soutien logistique au sein du gouvernement, ont des responsabilités plus directes en ce qui concerne les résultats et une plus grande souplesse de gestion nécessaire pour atteindre de nouveaux niveaux de rendement. Moyennant une responsabilité accrue à l'égard de leur Ministre et du gouvernement central, ils peuvent améliorer la prestation des services :

- en veillant à ce que les activités soient clairement définies et bien comprises;
- en se fixant des objectifs de rendement élevés et en élaborant des stratégies pour les atteindre;
- en appliquant les meilleures pratiques de gestion du secteur public;
- en surveillant le rendement afin de garantir une progression continue vers les objectifs.

Les OSS ont pour but d'élargir le pouvoir et la portée des gestionnaires et des employés afin d'encourager l'initiative, d'améliorer les services et de réduire le coût de l'administration publique. L'amélioration des services et de la gestion repose sur la fierté des capacités et le dévouement d'une fonction publique professionnelle. Le succès des OSS dépend, en définitive, des personnes et de leur enthousiasme au travail.

Dans le continuum organisationnel, les OSS se situent entre les ministères et les sociétés d'État. Les candidats peuvent être des services publics directs, des services internes du gouvernement, des services scientifiques et technologiques ou des programmes de réglementation et d'application de la loi. En plus de rendre totalement compte de leurs activités, ils doivent constamment s'efforcer d'améliorer la qualité et l'efficacité du service.

The Fleet Vehicles Agency was established as the first SOA in Manitoba and at the provincial level in Canada. The complement of SOAs has reached seventeen, representing $134.3 million in business for government. The schedule of SOAs follows.

L'Organisme chargé des véhicules gouvernementaux a été le premier OSS créé au Manitoba et au palier provincial au Canada. Le Manitoba compte maintenant 17 OSS qui représentent 134 millions de chiffre d'affaires pour le gouvernement. Voici l'ordre chronologique de création des OSS manitobains.

MANITOBA'S 17 SPECIAL OPERATING AGENCIES	LES 17 ORGANISMES DE SERVICE SPÉCIAL DU MANITOBA
1992/93 Fleet Vehicles Agency	1992-1993 Organisme chargé des véhicules gouvernementaux
1993/94 Materials Distribution Agency	1993-1994 Organisme chargé de la distribution du matériel
1994/95 Organization and Staff Development Vital Statistics Agency	1994-1995 Organisme chargé du perfectionnement et de la formation Bureau de l'état civil
1995/96 Civil Legal Services MERLIN Land Management Services Pineland Forest Nursery	1995-1996 Bureau du contentieux civil MERLIN Services de gestion foncière Pépinière de la forêt de Pineland
1996/97 Companies Office Manitoba Text Book Bureau Mail Management Agency Industrial Technology Centre The Public Trustee Office of the Fire Commissioner Food Development Centre	1996-1997 Office des compagnies Centre des manuels scolaires du Manitoba Organisme de gestion du courrier Centre de technologie industrielle Curateur public Bureau du commissaire aux incendies Centre de développement des produits alimentaires
1997/98 The Property Registry	1997-1998 Office d'enregistrement des titres et des instruments
1999/2000 Manitoba Securities Commission	1999-2000 Commission des valeurs mobilières du Manitoba

The Province continues to refine the SOA concept. Additional agencies will be considered in future years based on priority and acceptability.

Other governments view Manitoba's initiative as a model for their operations. SOAs are seen as a practical, enterprising response to the very difficult fiscal and service delivery challenges facing government today.

La province continue d'améliorer le concept des OSS. D'autres organismes seront envisagés dans les années à venir, selon les priorités et l'acceptabilité.

D'autres gouvernements regardent l'initiative du Manitoba afin de s'en inspirer. Les OSS sont considérés comme étant une réponse pratique et dynamique aux défis très délicats sur le plan financier et sur celui de la prestation de services que le gouvernement doit relever aujourd'hui.

The Special Operating Agencies Financing Authority

The SOA Financing Authority was established April 1, 1992 under authority of ***The Special Operating Agencies Financing Authority Act.*** The Financing Authority and its Chairperson operate under the direction of the Minister of Finance. Treasury Board acts as the primary decision-making body, while the Department of Finance and Treasury Board Secretariat supply staff support.

The Financing Authority provides a mechanism for funding SOAs outside the parameters of the Consolidated Fund. It holds and acquires assets associated with SOA operations and finances SOAs through contributed equity, repayable loans, and working capital advances. This financial framework enables SOAs to operate in a business-like way within government policy expectations.

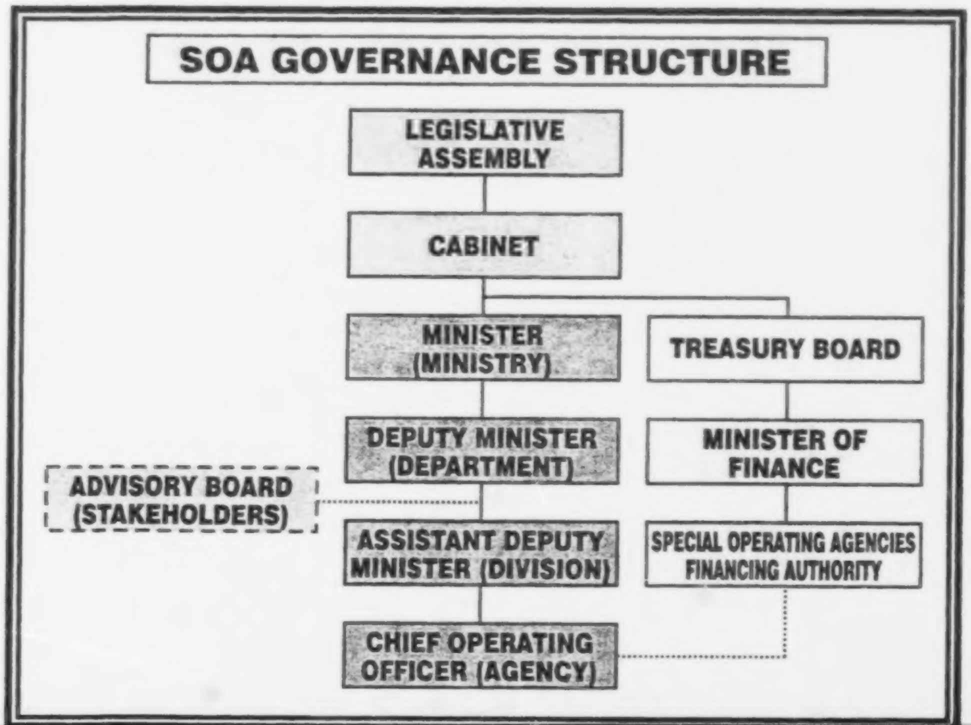
Each agency has an operating charter and management agreement that outlines its individual governance and administrative arrangements. Accountability is assured through annual business plans, audits, and reports forwarded through its advisory board to the Financing Authority. In turn, the Financing Authority is audited and submits an annual report on overall SOA operations to the Minister of Finance for tabling in the Legislature. The governance structure is depicted below.

L'Office de financement des organismes de service spécial

L'Office de financement des OSS a été créé le 1^{er} avril 1992 en vertu de la ***Loi sur l'Office de financement des organismes de service spécial.*** L'Office de financement et son président agissent sous la direction du ministre des Finances. Le Conseil du Trésor est le principal organe décisionnel, tandis que le ministère des Finances et le Secrétariat du Conseil du Trésor fournissent le personnel auxiliaire.

L'Office de financement permet de financer les OSS en dehors des paramètres du Fonds consolidé. Il détient et acquiert des actifs liés aux activités des OSS, qu'il finance par le biais de capitaux d'apport, de prêts remboursables et d'avances de fonds de roulement. Ce cadre financier permet aux OSS de fonctionner comme des entreprises tout en respectant les attentes politiques du gouvernement.

Chaque organisme a une charte et un accord de gestion qui exposent sa régie et les dispositions administratives le concernant. La responsabilité est assurée par des plans d'activités, des vérifications et des rapports annuels qui sont transmis à l'Office de financement par l'intermédiaire du conseil consultatif de chacun. L'Office de financement lui-même fait l'objet d'une vérification et remet un rapport annuel sur les activités globales des OSS au ministre des Finances, qui le déposera à l'Assemblée législative. La structure de régie est présentée ci-dessous.


SOA GOVERNANCE STRUCTURE
LEGISLATIVE ASSEMBLY
CABINET
MINISTER (MINISTRY)
TREASURY BOARD
DEPUTY MINISTER (DEPARTMENT)
MINISTER OF FINANCE
ADVISORY BOARD (STAKEHOLDERS)
ASSISTANT DEPUTY MINISTER (DIVISION)
SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
CHIEF OPERATING OFFICER (AGENCY)

The Chairperson of the Financing Authority is also the SOA Coordinator, who reports to the Executive Director of Treasury Board Secretariat. The mission is:

> *To provide corporate leadership, direction, and coordination of the Special Operating Agencies reform initiative, with a view to continuously improving the quality of management and services across the Manitoba Government.*

The position is responsible for coordinating the planning, design, implementation, and evaluation of SOAs.

The incumbent devotes time to the governance role as Chairperson and sole member comprising the Financing Authority. In this capacity, the incumbent oversees and manages the Financing Authority's affairs in compliance with statutory, policy, and management requirements. Much of this work concerns final approvals leading to start-up of new SOAs, as well as ongoing accountability requirements for established SOAs.

The Department of Finance and Treasury Board Secretariat provide for the Chairperson's/Coordinator's basic salary, benefits, and operating costs in support of this corporate initiative. In addition, SOAs are assessed an annual levy to fund identifiable expenses associated with Financing Authority operations. The levy is prorated against the Financing Authority's annual budget based on each SOA's projected gross revenue.

Le président de l'Office de financement est également coordonnateur des OSS et il relève du directeur général du Secrétariat du Conseil du Trésor. Il a pour mission de :

> *Fournir une orientation, une coordination et un leadership généraux dans l'initiative de réforme des organismes de service spécial, l'objectif étant d'améliorer constamment la qualité de la gestion et des services dans tout le gouvernement du Manitoba.*

Le président est chargé de coordonner la planification, la conception, la mise en œuvre et l'évaluation des OSS.

Le titulaire consacre du temps au rôle de gestion en sa qualité de président et de membre unique de l'Office de financement. À ce titre, il supervise et gère les affaires de l'Office de financement conformément aux exigences réglementaires, politiques et de gestion. Une bonne partie de son travail concerne les approbations finales conduisant à la création de nouveaux OSS ainsi que les obligations redditionnelles des OSS existants.

Le ministère des Finances et le Secrétariat du Conseil du Trésor fournissent le salaire de base, les avantages sociaux et les coûts de fonctionnement du président/coordonnateur, en appui à cette initiative collective. De plus, une contribution annuelle est prélevée sur les OSS pour financer les dépenses identifiables liées aux activités de l'Office de financement. La contribution est calculée au prorata, par rapport au budget annuel de l'Office de financement, en se fondant sur le revenu brut prévisionnel des OSS.

2004/05 Operations

The operations of the Financing Authority for the fiscal year ended March 31, 2005 were limited to the operations and financial results of the seventeen SOAs. The auditors' opinions and related management reports are included with the agencies' financial statements as an appendix to this report.

Financial Highlights

- Transfer of $17,975,0000 (2004 - $12,350,000) in designated surpluses to the Consolidated Fund on behalf of the Fleet Vehicles Agency ($1,500,000), Materials Distribution Agency ($400,000), Vital Statistics Agency ($125,000), Civil Legal Services ($200,000), Land Management Services ($250,000), Companies Office ($1,700,000), The Property Registry ($6,800,000), and Manitoba Securities Commission ($7,000,000).

- Aggregate authority of up to $20,370,000 (2004 - $20,370,000) in working capital advances at any one time, $7,099,000 (2004 - $7,701,000) of which was utilized at fiscal year-end.

- Increase of $3,240,000 (2004 - $1,958,000 decrease) in the balance of long-term debt to $16,416,000 (2004 - $13,176,000).

- Decrease of $835,000 (2004 - $3,601,000 restated increase) in the balance of retained earnings to $35,664,000 (2004 - $36,499,000 restated).

Activités pendant l'exercice 2004-2005

Pendant l'exercice qui s'est terminé le 31 mars 2005, les activités de l'Office de financement se sont limitées aux activités et aux résultats financiers des dix-sept OSS. Les avis des vérificateurs et les rapports de gestion connexes sont joints aux états financiers des organismes en annexe au présent rapport.

Faits saillants financiers

- Transfert de 17 975 0000 $ (2004 – 12 350 000 $), à titre de surplus désignés, au Fonds consolidé, au nom de l'Organisme chargé des véhicules gouvernementaux (1 500 000 $), de l'Organisme chargé de la distribution du matériel (400 000 $), du Bureau de l'état civil (125 000 $), du Bureau du contentieux civil (200 000 $), des Services de gestion foncière (250 000 $), de l'Office des compagnies (1 700 000 $), de l'Office d'enregistrement des titres et des instruments (6 800 000 $) et de la Commission des valeurs mobilières du Manitoba (7 000 000 $).

- Pouvoir global de 20 370 000 $ (2004 – 20 370 000 $) en avances de fonds de roulement à tout moment, dont 7 099 000 $ (2004 – 7 701 000 $) avaient été utilisés à la fin de l'exercice.

- Augmentation de 3 240 000 $ (baisse de 1 958 000 $ en 2004) du solde de la dette à long terme pour atteindre 16 416 000 $ (comparativement à 13 176 000 $ en 2004).

- Baisse de 835 000 $ (augmentation de 3 601 000 $ [montant calculé à nouveau] en 2004) du solde des bénéfices non répartis pour arriver à 35 664 000 $ (comparativement à 36 499 000 $ [montant calculé à nouveau] en 2004).

Preparations for New Agencies and Subsequent Events

During 2004/05, the Financing Authority did not arrange SOA status for any new agencies. Work was completed to revoke the designation of the Mail Management Agency as a special operating agency and amalgamate its operations with the Materials Distribution Agency, effective April 1, 2005, under the name of the Materials Distrtribution Agency.

Préparations pour de nouveaux organismes et des manifestations ultérieures

Au cours de l'exercice 2004-2005, l'Office de financement n'a attribué le statut d'OSS à aucun organisme. Le travail a été accompli pour retirer la désignation de l'Organisme de gestion du courrier comme organisme de service spécial et pour le fusionner, à compter du 1er avril 2005, avec l'Organisme chargé de la distribution du matériel. Le nom de l'organisme fusionné demeure Organisme chargé de la distribution du matériel.

Accomplishments

In the past year, the Acting Chairperson/Coordinator:

- delivered Briefings related to the SOA Initiative;
- prepared and issued the 2003/04 Financing Authority annual report;
- invited and evaluated competitive proposals from public accounting firms for the procurement of audit services with respect to the Manitoba Securities Commission; the Vital Statistics Agency; and the Manitoba Education, Research and Learning Information Networks Agency for a five-year period commencing March 31, 2005;
- advised the two next candidates for special operating agency status on a schedule of activities needed for potential 2006/07 start-up;
- contributed to the Treasury Board Secretariat business plan review process; and
- contributed to the Information and Communications Technology Restructuring Initiative.

Réalisations

Au cours de l'année écoulée, le président/coordonnateur par intérim :

- a présenté des séances d'information ayant trait à l'Initiative relative aux organismes de service spécial;
- a préparé et publié le rapport annuel 2003-2004 de l'Office de financement;
- a lancé un appel de propositions concurentielles auprès de cabinets d'experts-comptables et a évualé les propositions soumises en vue de retenir les services de vérification d'un cabinet à l'intention de la Commission des valeurs mobilières du Manitoba, du Bureau de l'état civil et des Réseaux informatiques en apprentissage et en recherche pédagogique du Manitoba, et ce, pour une période de cinq ans débutant le 31 mars 2005;
- a établi un calendrier des démarches requises en vue du démarrage de deux nouveaux organismes de service spécial qui aura lieu possiblement en 2006-2007;
- a participé au processus d'examen des plans d'affaires par le Secrétariat du Conseil du Trésor;
- a contribué à l'Initiative de restructuration des technologies de l'information et des communications.

2005/06 Plans

In the coming year, the Acting Chairperson/Coordinator will:

- examine the financial viability of service operations within departments for potential 2006/07 or subsequent start-up;
- deliver Briefings related to the SOA Initiative;
- arrange SOA status for two new Agencies, the Crown Lands and Property Agency; and Efficiency Manitoba;
- prepare and issue the 2004/05 Financing Authority annual report;
- invite and evaluate competitive proposals from public accounting firms for the procurement of audit services with respect to the Civil Legal Services Agency for a five-year period commencing March 31, 2006;
- contribute to the Treasury Board Secretariat business plan review process;
- contribute to the Information and Communications Technology Restructuring Initiative; and
- contribute to the Summary Budgeting and Reporting exercise.

Plans pour l'exercice 2005-2006

Au cours de l'année à venir, le président/coordonnateur par intérim :

- examinera la viabilité financière de services au sein des ministères en vue d'une éventuelle mise en route en 2006-2007 ou plus tard;
- présentera des séances d'information ayant trait à l'Initiative relative aux organismes de service spécial;
- prendra les dispositions nécessaires pour que deux nouveaux organismes, soit la Crown Lands and Property Agency et Efficience Manitoba, obtiennent le statut d'OSS;
- préparera et publiera le rapport annuel 2004-2005 de l'Office de financement;
- lancera un appel de propositions concurrentielles auprès de cabinets d'expert-comptables et évaluera les propositions soumises en vue de retenir les services de vérification d'un cabinet à l'intention du Bureau du contentieux civil, et ce, pour une période de cinq ans débutant le 31 mars 2006;
- participera au processus d'examen des plans d'affaires par le Secrétariat du Conseil du Trésor;
- contribuera à l'Initiative de restructuration des technologies de l'information et des communications;
- contribuera à la production d'états récapitulatifs et de budgets sommaires.

Agency Results through 2004/05

The following pages profile the operations and performance of the seventeen SOAs operating during the 2004/05 fiscal year. The agencies' 2004/05 annual reports should be consulted for further information.

The SOA balanced scorecard summarizes world-class outcomes in delivering services for Manitobans.

Combined financial results:

- 20% ($28.9 million) cost-savings to government in 2004/05
- 67% ($53.7 million) growth in revenues through 2004/05
- 305% ($87.6 million) growth in assets through 2004/05
- 100% ($10.972 million) repayment of original long-term debt owing to the Province through 2004/05
- 209% ($37 million) return on Manitoba's contributed equity through 2004/05
- $105.9 million in surpluses committed to the provincial treasury through 2005/06.

Private sector economic development:

- 3,006 employment opportunities through 2004/05
- $199 million impact on private sector salaries, sales, R&D, cost-savings, and investment through 2004/05.

Improved service (averaged across SOAs reporting relevant metrics):

- 99% on-time response to client requests in 2004/05
- 26% increase in service volume through 2004/05
- 97% client/stakeholder satisfaction in 2004/05.

Résultats des organismes durant l'exercice 2004-2005

Les pages suivantes établissent le profil des activités et des résultats des dix-sept OSS opérationnels durant l'exercice 2004-2005. Pour plus de détails, veuillez consulter les rapports annuels des organismes pour l'exercice 2004-2005.

L'équilibre de la structure des OSS résume des résultats de tout premier ordre en ce qui concerne la prestation des services aux Manitobains.

Résultats financiers combinés :

- 20 % (28,9 millions de dollars) d'économies pour le gouvernement pendant l'exercice 2004-2005
- 67 % (53,7 millions de dollars) de croissance des recettes pendant l'exercice 2004-2005
- 305 % (87,6 millions de dollars) de croissance de l'actif pendant l'exercice 2004-2005
- 100 % (10,972 millions de dollars) de remboursement de la dette à long terme initiale à l'égard de la province pendant l'exercice 2004-2005
- 209 % (37 millions de dollars) de rendement sur le capital d'apport du Manitoba pendant l'exercice 2004-2005
- 105,9 millions de dollars d'excédents versés au Trésor provincial pendant l'exercice 2005-2006.

Développement économique du secteur privé :

- 3 006 possibilités d'emploi pendant l'exercice 2004-2005
- 199 millions de dollars en ventes, R-D, économies et investissements courants et futurs pendant l'exercice 2004-2005.

Amélioration du service (en moyenne des OSS qui transmettent les paramètres pertinents) :

- 99 % de ponctualité dans les réponses aux demandes de renseignements des clients pendant l'exercice 2004-2005
- 26 % d'augmentation du volume de services pendant l'exercice 2004-2005
- 97 % de satisfaction des clients et des personnes intéressées pendant l'exercice 2004-2005.

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Fleet Vehicles Agency	Transportation and Government Services	Dennis Ducharme Chief Operating Officer 626 Henry Avenue Winnipeg, MB R3A 1P7 (204) 945-3680 (204) 957-1109 (fax) dducharme@gov.mb.ca www.fva.gov.mb.ca French Language Services: Derek Boutang (204) 945-4326 deboutang@gov.mb.ca	April 1, 1992	To provide complete vehicle and equipment management services for the Manitoba Government and broader public sector.
Organisme chargé des véhicules gouvernementaux	Voirie et Services gouvernementaux	Dennis Ducharme Directeur général 626, avenue Henry Winnipeg (Manitoba) R3A 1P7 (204) 945-3680 (204) 957-1109 (télécopieur) dducharme@gov.mb.ca www.fva.gov.mb.ca Services en français : Derek Boutang (204) 945-4326 deboutang@gov.mb.ca	1^{er} avril 1992	Fournir des services complets de gestion de l'équipement et des véhicules au gouvernement du Manitoba et au secteur public en général.
Materials Distribution Agency	Transportation and Government Services	Susan Boulter Chief Operating Officer #7 – 1715 St. James Street Winnipeg, MB R3H 1H3 (204) 945-6043 (204) 945-6370 (fax) sboulter@gov.mb.ca French Language Services: Peter Roberts (204) 945-0391 proberts@gov.mb.ca	April 1, 1993	To provide complete materials management services for the Manitoba Government and broader public sector.
Organisme chargé de la distribution du matériel	Voirie et Services gouvernementaux	Susan Boulter Directrice générale 1715, rue St. James, bureau 7 Winnipeg (Manitoba) R3H 1H3 (204) 945-6043 (204) 948-2737 (télécopieur) sboulter@gov.mb.ca Services en français : Peter Roberts (204) 945-0391 proberts@gov.mb.ca	1^{er} avril 1993	Fournir des services complets de gestion du matériel au gouvernement du Manitoba et au secteur public en général.

Staff (FTE) Personnel (ETP)	2004/05 Financial Results ($000) Résultats financiers en 2004-2005 (en milliers de dollars)			Key Results through 2004/05 Principaux résultats obtenus au cours de l'exercice 2004-2005
		Actual Réels	Budget Budget	
59	Revenue	30,542	30,399	• >9% average annual return on revenue • $8.2 million long-term debt retired fifteen years ahead of schedule • launched ambulance replacement and management program in 2001/02 with120 ambulances now leased to Manitoba Health for use by the Regional Health Authorities • 21.7% lower than projected days sales in receivables in 2005 • >90% productivity on shop floor for maintenance and repairs • <1% client comeback rate • 100% client retention following conversion to optional services in 1996 • > 65% staff labour efficiency rate for Radio Services
	Expenses	(29,300)	(28,889)	
	Net Income (Loss)	1,242	1,510	
	Revenue Sharing	(1,500)	(1,500)	
	Retained Earnings	13,364	13,632	
59	Recettes	30 542	30 399	• >9 % de rendement moyen annuel sur les recettes • 8,2 millions de dollars de dettes à long terme remboursées avec 15 ans d'avance sur l'échéancier • lancement d'un programme de remplacement et d'entretien des ambulances en 2001-2002; 120 ambulances sont présentement louées à bail par Santé Manitoba à l'intention des offices régionaux de la santé • 21,7 % de réduction du délai moyen prévu de règlement des comptes clients en 2005 • >90 % de productivité dans les ateliers pour l'entretien et les réparations • <1% des clients sont insatisfaits • 100 % des clients conservés après la conversion aux services facultatifs, en 1996 • > 65 % de rendement de la main-d'œuvre pour ce qui est du personnel des Services de radiocommunication
	Dépenses	(29 300)	(28 889)	
	Résultat net (Perte)	1 242	1 510	
	Partage des recettes	(1 500)	(1 500)	
	Bénéfices non répartis	13 364	13 632	
52	Revenue	20,694	20,125	• $732,200 original and $513,600 subsequent long-term debt retired six and three years ahead of schedule, respectively • $103,000 sales volume discounts for preferred clients in 2004/05 • Met turnaround time 99% of time in 2004/05 • 20,000 new public clients under Home Care Program since 1997 • 99% supply of in-stock items
	Expenses	(20,634)	(19,790)	
	Net Income (Loss)	60	335	
	Revenue Sharing	(400)	(400)	
	Retained Earnings	3,530	3,805	
52	Recettes	20 694	20 125	• 732 200 $ de dettes originales et 513 600 $ de dettes ultérieures à long terme remboursées avec six et trois ans d'avance sur l'échéancier, respectivement • 103 000 $ d'escompte sur le volume de ventes aux clients privilégiés en 2004-2005 • Délais d'exécution respectés 99 % du temps en 2004-2005 • 20 000 nouveaux clients publics dans le cadre du Programme de soins à domicile depuis 1997 • 99 % de fourniture d'articles en stock
	Dépenses	(20 634)	(19 790)	
	Résultat net (Perte)	60	335	
	Partage des recettes	(400)	(400)	
	Bénéfices non répartis	3 530	3 805	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Organization and Staff Development	Civil Service Commission	Edna Dickson Director 935 - 155 Carlton Street Winnipeg, MB R3C 3H8 (204) 945-3189 (204) 948-2165 (fax) edickson@gov.mb.ca www.gov.mb.ca/csc/osd French Language Services Diane Netzel (204) 945-2276 dnetzel@gov.mb.ca	April 1, 1994	To provide training and consulting services that support implementation of corporate human resource priorities and that improve organization effectiveness in the Manitoba Government and broader public sector.
Organisme chargé du perfectionnement et de la formation	Commission de la fonction publique	Edna Dickson Directeur 155, rue Carlton, bureau 935 Winnipeg (Manitoba) R3C 3H8 (204) 945-3189 (204) 948-2165 (télécopieur) edickson@gov.mb.ca www.gov.mb.ca/csc/osd Services en français : Diane Netzel (204) 945-2276 dnetzel@gov.mb.ca	1er avril 1994	Fournir des services de formation et de conseils en appui à la mise en œuvre des priorités en matière de ressources humaines ministérielles et de façon à améliorer l'efficacité organisationnelle du gouvernement du Manitoba et du secteur public en général.
Vital Statistics Agency	Finance	Caroline Kaus Director 254 Portage Avenue Winnipeg, MB R3C 0B6 (204) 945-8178 (204) 945-0424 (fax) ckaus@gov.mb.ca French Language Services Doreen Payette (204) 945-5500 dpayette @gov.mb.ca	April 1, 1994	To register and issue certificates for all vital events occurring in Manitoba, including births, marriages, deaths, stillbirths, and changes of name.
Bureau de l'état civil	Finances	Caroline Kaus Directrice 254, avenue du Portage Winnipeg (Manitoba) R3C 0B6 (204) 945-8178 (204) 945-0424 (télécopieur) ckaus@gov.mb.ca Services en français : Doreen Payette (204) 945-5500 dpayette@gov.mb.ca	1er avril 1994	Enregistrer et délivrer des certificats pour tous les événements démographiques qui surviennent au Manitoba, y compris les naissances, les mariages, les décès, les enfants morts-nés et les changements de nom.

Staff (FTE) Personnel (ETP)	2004/05 Financial Results ($000) Résultats financiers en 2004-2005 (en milliers de dollars)			Key Results through 2004/05 Principaux résultats obtenus au cours de l'exercice 2004-2005
		Actual Réels	Budget Budget	
9	Revenue Expenses Net Income (Loss) Retained Earnings	1,482 (1,399) 83 361	1,197 (1,195) 2 280	• 12% decrease in the number of regularly scheduled workshops • 10% increase in number of in-house workshops delivered • 45% decrease in regularly scheduled corporate workshops offered and delivered • 9% increase in customized corporate workshops requested • 33% decrease in regularly scheduled workshops delivered in rural areas • 20% increase in in-house workshops delivered in rural areas • 18% decrease in the number of participants for regularly scheduled workshops • 12% increase in the number of participants in customized workshops
9	Recettes Dépenses Résultat net (Perte) Bénéfices non répartis	1 482 (1 399) 83 361	1 197 (1 195) 2 280	• 12 % de baisse du nombre d'ateliers régulièrement prévus • 10 % d'augmentation du nombre d'ateliers presentés à l'interne • 45 % de baisse du nombre d'ateliers d'entreprise régulièrement prévus qui ont été proposés et présentés • 9 % d'augmentation du nombre d'ateliers d'entreprise adaptés qui ont été demandés • 33% de baisse des ateliers régulièrement prévus présentés en zone rurale • 20 % d'augmentation du nombre d'ateliers présentés à l'interne en zone rurale • 18% de baisse du nombre de participants aux ateliers régulièrement prévus • 12% d'augmentation du nombre de participants aux ateliers adaptés
37.0	Revenue Expenses Net Income (Loss) Revenue Sharing Retained Earnings	2,879 (2,705) 174 (125) 961	2,858 (2,786) 72 (75) 909	• 99% immediate response to clients on status of service applications in 2004/05 • 100% conversion of irreplaceable vital events records to microfilm • 57% cumulative volume increase through 2004/05
37,0	Recettes Dépenses Résultat net (Perte) Partage des recettes Bénéfices non répartis	2 879 (2 705) 174 (125) 961	2 858 (2 786) 72 (75) 909	• 99% de réponses immédiates aux clients sur l'état des demandes de service en 2004/05 • 100 % de conversion sur microfilm des enregistrements des données de l'état civil irremplaçables • 57 % de hausse du volume cumulatif au cours de 2004-2005

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Civil Legal Services	Justice	Tom Hague Director 730 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2846 (204) 948-2041 (fax) thague@gov.mb.ca French Language Services: T. David Gisser (204) 945-0243 dgisser@gov.mb.ca	April 1, 1995	To provide legal services that meet the needs of the Manitoba Government and its agencies, boards, commissions, and Crown corporations.
Bureau du contentieux civil	Justice	Tom Hague Directeur 405 Broadway, bureau 730 Winnipeg (Manitoba) R3C 3L6 (204) 945-2846 (204) 948-2041 (télécopieur) thague@gov.mb.ca Services en français : T. David Gisser (204) 945-0243 dgisser@gov.mb.ca	1er avril 1995	Fournir des services juridiques qui répondent aux besoins du gouvernement du Manitoba et de ses organismes, conseils, commissions et sociétés de la Couronne.
Manitoba Education, Research and Learning Information Networks (MERLIN)	Energy, Science and Technology	Cathy Ackland Acting Chief Operating Officer Room 137 Education Building University of Manitoba Winnipeg, MB R3T 2N2 (204) 474-7806 (204) 474-7830 (fax) cackland@merlin.mb.ca www.merlin.mb.ca French Language Services: Colette Lafond-D'Heilly (204) 474-7805 cdheilly@merlin.mb.ca	April 1, 1995	To support the use of technology in improving education services to learners.
Les Réseaux informatiques en apprentissage et en recherche pédagogique du Manitoba (MERLIN)	Énergie, Sciences et Technologie	Cathy Ackland Directeur général Édifice Éducation, bureau 137 Université du Manitoba Winnipeg (Manitoba) R3T 2N2 (204) 474-7806 (204) 474-7830 (télécopieur) cackland@merlin.mb.ca www.merlin.mb.ca Services en français : Colette Lafond-D'Heilly (204) 474-7805 cdheilly@merlin.mb.ca	1er avril 1995	Appuyer l'utilisation de la technologie dans le but d'améliorer les services offerts aux apprenants en matière d'éducation.

Staff (FTE) Personnel (ETP)	2004/05 Financial Results ($000) Résultats financiers en 2004-2005 (en milliers de dollars)			Key Results through 2004/05 Principaux résultats obtenus au cours de l'exercice 2004-2005
		Actual Réels	Budget Budget	
58	Revenue	5,028	5,241	• $5.0 million cost-saving to government in 2005 • 97% client satisfaction rating in 2005
	Expenses	(4,835)	(5,160)	
	Net Income (Loss)	193	81	
	Revenue Sharing	(200)	(200)	
	Retained Earnings	707	595	
58	Recettes	5 028	5 241	• 5,0 millions de dollars d'économies pour le gouvernement en 2005 • 97 % de satisfaction de la clientèle en 2005
	Dépenses	(4 835)	(5 160)	
	Résultat net (Perte)	193	81	
	Partage des recettes	(200)	(200)	
	Bénéfices non répartis	707	595	
16	Revenue	2,676	3,062	• $365,903 cost-saving to education sector for audio conferencing and software licensing in 2004/05
	Expenses	(2,704)	(3,062)	
	Net Income (Loss)	(28)	-	
	Accumulated Deficit	(357)	(329)	
16	Recettes	2 676	3 062	• 3653 903 $ d'économies pour le secteur de l'éducation pour les conférences téléphoniques et les permis d'utilisation de logiciels en 2004-2005
	Dépenses	(2 704)	(3 062)	
	Résultat net (Perte)	(28)	-	
	Déficit accumulé	(357)	(329)	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Land Management Services	Transportation and Government Services	Rae Csversko Chief Operating Officer 308 – 25 Tupper Street North Portage la Prairie, MB R1N 3K1 (204) 239-3561 (204) 239-3560 (fax) rcsversko@gov.mb.ca www.landmgmt.gov.mb.ca French Language Services: Annette Lesage (204) 239-3510 alesage@gov.mb.ca	April 1, 1995	To provide comprehensive land management services to various levels of governments, departments, boards, corporations, agencies and clients.
Services de gestion foncière	Voirie et Services gouvernementaux	Rae Csversko Directeur général 25, rue Tupper nord, bureau 308 Portage-la-Prairie (Manitoba) R1N 3K1 (204) 239-3561 (204) 239-3560 (télécopieur) rcsversko@gov.mb.ca www.landmgmt.gov.mb.ca Services en français : Annette Lesage (204) 239-3510 alesage@gov.mb.ca	1^{er} avril 1995	Fournir à divers paliers de gouvernement (ministères, commissions, corporations, organismes et clients) des services de gestion foncière complets.
Pineland Forest Nursery	Conservation	Trevor Stanley General Manager Box 45 Hadashville, MB R0E 0X0 (204) 426-5235 (204) 426-2106 (fax) tstanley@gov.mb.ca www.pinelandforestnursery.com French Language Services: Gail Cielen (204) 945-4170 gcielen@gov.mb.ca	April 1, 1995	To provide the highest quality integrated seedling growing and related services to forest sector clients in Canada and the United States.
Pépinière de la forêt Pineland	Conservation	Trevor Stanley Directeur général par intérim Boite 45 Hadashville (Manitoba) R0E 0X0 (204) 426-5235 (204) 426-2106 (télécopieur) tstanley@gov.mb.ca www.pinelandforestnursery.com Services en français : Gail Cielen (204) 945-4170 gcielen@gov.mb.ca	1^{er} avril 1995	Fournir constamment des services de croissance de semis intégrés et autres services connexes de qualité supérieure aux clients du secteur forestier se trouvant au Canada et aux États-Unis.

Staff (FTE) Personnel (ETP)	2004/05 Financial Results ($000) Résultats financiers en 2004-2005 (en milliers de dollars)			Key Results through 2004/05 Principaux résultats obtenus au cours de l'exercice 2004-2005
		Actual Réels	Budget Budget	
28	Revenue	2,534	2,924	• $10.6 million annualized cost-saving in grants-in-lieu of taxes from assessment reviews, with $6.6 million in refunds and $211.9 million in tax assessment reduction • $8.9 million new revenue from sale or lease of surplus government land and buildings • $2.3 million price break on market rates
	Expenses	(2,240)	(2,664)	
	Net Income (Loss)	294	260	
	Revenue Sharing	(250)	(250)	
	Retained Earnings	401	367	
28	Recettes	2 534	2 924	• 10,6 millions de dollars d'économies annualisées en subventions tenant lieu de taxes provenant de l'examen d'évaluations, et 6,6 millions de dollars de remboursements et 211,9 millions de dollars de réduction sur les avis d'imposition • 8,9 millions de dollars de nouvelles recettes tirées de la vente ou de la location à bail de terres et d'édifices publics excédentaires • 2,3 millions de dollars de réduction par rapport aux taux du marché
	Dépenses	(2 240)	(2 664)	
	Résultat net (Perte)	294	260	
	Partage des recettes	(250)	(250)	
	Bénéfices non répartis	401	367	
36.83	Revenue	2,959	2,983	• 287% increase in private sector revenue • 57% increase in greenhouse growing area • 210% increase in number of clients to 23 • 1,000% increase in seed processing • 103.4% achievement of targets • 98.5% achievement of quality standards
	Expenses	(3,140)	(3,108)	
	Net Income (Loss)	(181)	(125)	
	Retained Earnings	232	288	
36,83	Recettes	2 959	2 983	• 287 % d'augmentation de recettes provenant du secteur privé • 57 % d'augmentation de la capacité de production, qui est portée à 22 millions de semis • 210 % d'augmentation du nombre de clients, qui passe à 23 • 1 000 % d'augmentation dans le traitement des semences • 103,4 % de réussite par rapport aux objectifs • 98,5 % de réussite par rapport aux normes de qualité
	Dépenses	(3 140)	(3 108)	
	Résultat net (Perte)	(181)	(125)	
	Bénéfices non répartis	232	288	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Companies Office	Finance	Myron Pawlowsky Chief Operating Officer 1010 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-4206 (204) 945-1459 (fax) mpawlowsky@gov.mb.ca www.gov.mb.ca/finance/cca/comp_off/index.html French Language Services: Lorraine Lagimodiere (204) 945-2500 companies@gov.mb.ca	April 1, 1996	To register and search the names of all businesses and corporations operating in Manitoba.
Office des compagnies	Finances	Myron Pawlowsky Directeur général 405 Broadway, bureau 1010 Winnipeg (Manitoba) R3C 3L6 (204) 945-4206 (204) 945-1459 (télécopieur) mpawlowsky@gov.mb.ca www.gov.mb.ca/finance/cca/comp_off/index.html Services en français : Lorraine Lagimodiere (204) 945-2500 companies@gov.mb.ca	1er avril 1996	Enregistrer et chercher le nom de toutes les entreprises et sociétés travaillant au Manitoba.
Manitoba Text Book Bureau	Education, Citizenship and Youth	Lanny Kingerski Chief Operating Officer 130 - 1st Avenue West P.O. Box 910 Souris, MB R0X 2C0 (204) 483-5035 (204) 483-5041 (fax) lkingerski@gov.mb.ca www.mtbb.mb.ca French Language Services: Paulette Campbell (204) 483-5034 paucampbel@gov.mb.ca	April 1, 1996	To provide Manitoba schools with cost-effective educational learning resources and related products recommended by the Department of Education, Citizenship and Youth.
Centre des manuels scolaires du Manitoba	Éducation et Jeunesse	Lanny Kingerski Directeur général 130, 1re Avenue ouest B.P 910 Souris (Manitoba) R0X 2C0 (204) 483-5035 (204) 483-5041 (télécopieur) lkingerski@gov.mb.ca www.mtbb.mb.ca Services en français : Paulette Campbell (204) 483-5034 paucampbel@gov.mb.ca	1er avril 1996	Fournir aux écoles du Manitoba, et à un coût économique, des ressources éducatives et des produits connexes recommandés par le ministère de l'Éducation et de la Jeunesse.

Staff (FTE) Personnel (ETP)	2004/05 Financial Results ($000) Résultats financiers en 2004-2005 (en milliers de dollars)	Actual Réels	Budget Budget	Key Results through 2004/05 Principaux résultats obtenus au cours de l'exercice 2004-2005
28	Revenue	5,384	4,979	• 98% client satisfaction rating in 2005 • 96% client satisfaction with personal telephone services in 2005 • 42% of customers file name registrations on-line
	Expenses	(3,880)	(4,260)	
	Net Income (Loss)	1,504	719	
	Revenue Sharing	(1,700)	(1,500)	
	Retained Earnings	1,744	1,159	
28	Recettes	5 384	4 979	• 98 % de satisfaction de la clientèle en 2005 • 96 % de satisfaction de la clientèle en ce qui concerne les services personnels par téléphone en 2005 • 42 % des clients ayant enregistré leur nom commercial en ligne
	Dépenses	(3 880)	(4 260)	
	Résultat net (Perte)	1 504	719	
	Partage des recettes	(1,700)	(1,500)	
	Bénéfices non répartis	1 744	1 159	
8.31	Revenue	7,539	8,157	• $481,608 cost-saving to government through full cost accounting, and bulk purchasing of learning resources in 2004/05 • 27.6% increase in sales and 37.4% reduction in staff levels since inception • Reduced percentage of operating costs to sales by 15.8% since inception. • 99.7% of stock orders filled correctly • Average turnaround time for stock orders in 2004/05 is 1.14 days which exceeds the target of 3 days • 23.6% of orders generated through website (460.4% over 2003/04)
	Expenses	(7,581)	(8,157)	
	Net Income (Loss)	(42)	-	
	Retained Earnings	102	144	
8,31	Recettes	7 539	8 157	• 481 608 $ d'économies pour le gouvernement grâce à la capitalisation du coût complet et à l'achat en gros de ressources éducatives en 2004-2005 • 27,6 % d'augmentation des ventes et 37,4 % de réduction du personnel depuis l'obtention du statut d'OSS • Réduction de 15,8 % du pourcentage des coûts d'exploitation par rapport aux ventes depuis l'obtention du statut d'OSS • 99,7 % des commandes de marchandises classées correctement • •une attente de 1,14jours en général en 2004-2005 pour recevoir une commande de matériel (moins que les trois jours initialement prévus) • 23,6 % des commandes passées sur Internet (une augmentation de 460,4 % par rapport à 2003-2004)
	Dépenses	(7 581)	(8 157)	
	Résultat net (Perte)	(42)	-	
	Bénéfices non répartis	102	144	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Mail Management Agency	Transportation and Government Services	Michael Langenfeld A/Chief Operating Officer Lower Level, 200 Vaughan Street Winnipeg, MB R3C 1T5 (204) 945-4668 (204) 945-5753 (fax) mlangenfeld @ gov.mb.ca French Language Services: Angele Saaghy (204) 945-1173 asaaghy@gov.mb.ca	April 1, 1996	To provide centralized mail services to the Manitoba Government and broader public sector, enabling clients to expedite their products, information, and correspondence through the most appropriate distribution channels.
Organisme de gestion du courrier	Voirie et Services gouvernementaux	Michael Langenfeld Directeur général par intérim 200, rue Vaughan, niveau inférieur Winnipeg (Manitoba) R3C 1T5 (204) 945-4668 (204) 945-5753 (télécopieur) mlangenfeld@gov.mb.ca Services en français : Angele Saaghy (204) 945-1173 asaaghy@gov.mb.ca	1er avril 1996	Fournir des services de courrier centralisés au gouvernement du Manitoba et au secteur public en général, afin de permettre aux clients d'expédier leurs produits, leur information et leur correspondance par les réseaux de distribution les plus appropriés.
Industrial Technology Centre	Energy, Science and Technology	Trevor Cornell Chief Operating Officer 1329 Niakwa Road East Winnipeg, MB R2J 3T4 (204) 945-6126 (204) 945-1784 (fax) tcornell@itc.mb.ca www.itc.mb.ca French Language Services: Trevor Cornell (above)	April 1, 1996	To provide a wide range of technical services to business, industry, and government in support of technology-based economic development in Manitoba.
Centre de technologie industrielle	Énergie, Sciences et Technologie	Trevor Cornell Directeur général 1329, chemin Niakwa est Winnipeg (Manitoba) R2J 3T4 (204) 945-6126 (204) 945-1784 (télécopieur) tcornell@itc.mb.ca www.itc.mb.ca Services en français : Trevor Cornell (ci-dessus)	1er avril 1996	Fournir toute une gamme de services techniques aux entreprises, à l'industrie et au gouvernement, en appui à un développement économique du Manitoba fondé sur la technologie.

Staff (FTE) Personnel (ETP)	2004/05 Financial Results ($000) Résultats financiers en 2004-2005 (en milliers de dollars)			Key Results through 2004/05 Principaux résultats obtenus au cours de l'exercice 2004-2005
		Actual Réels	Budget Budget	
23.5	Revenue	6,004	6,748	• $1,000,000 cost-saving from courier contract administration • $61,000 cost-saving from ad-mail incentive mailings • $117,000 cost-saving to Agency clients under the interdepartmental mail stamp system • >99% on-time completion of mail processing activities • 99% on-time completion of mail finishing projects
	Expenses	(5,897)	(6,718)	
	Net Income (Loss)	107	30	
	Retained Earnings	445	368	
23,5	Recettes	6 004	6 748	• 1,000 000 $ d'économies dans la gestion du contrat de messagerie • 61 000 $ d'économies dans les envois postaux publicitaires • 117 000 $ d'économies pour la clientèle de l'organisme grâce au système d'affranchissement interministériel • >99 % d'exécution ponctuelle des activités de traitement du courrier • 99 % d'exécution ponctuelle des projets de finition du courrier
	Dépenses	(5 897)	(6 718)	
	Résultat net (Perte)	107	30	
	Bénéfices non répartis	445	368	
21.6	Revenue	1,847	1,876	• 34% reduction in funding under departmental contribution agreement • 97% customer satisfaction in 2004/05 • 2,818 jobs saved/maintained in private sector since inception • $179 million economic development impact in private sector salaries, sales, R&D, cost-savings, and investment since inception as an SOA.
	Expenses	(2,196)	(2,246)	
	Net Income (Loss)	(349)	(370)	
	Retained Earnings	847	826	
21,6	Recettes	1 847	1 876	• 34 % de réduction du financement dans le cadre de l'accord de contribution ministériel • 97 % de satisfaction de la clientèle en 2004-2005 • 2 818 emplois sauvés/maintenus dans le secteur privé depuis l'obtention du statut d'OSS • 179 millions de dollars de retombées économiques sur le secteur privé sous forme de salaires, de ventes, de R-D, d'économies et d'investissements depuis l'obtention du statut d'OSS.
	Dépenses	(2 196)	(2 246)	
	Résultat net (Perte)	(349)	(370)	
	Bénéfices non répartis	847	826	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
The Public Trustee	Justice	Anne Bolton Public Trustee 155 Carlton Street Suite 500 Winnipeg, MB R3C 5R9 (204) 945-2703 (204) 948-2997(fax) abolton@gov.mb.ca French Language Services: Suzanne Lavallee (204) 945-8411 slavallee@gov.mb.ca	April 1, 1996	To provide professional and cost-effective trustee services of last resort that meet client needs and protect the interests of Manitobans.
Le curateur public	Justice	Anne Bolton Curatrice publique 155, rue Carlton, bureau 500 Winnipeg (Manitoba) R3C 5R9 (204) 945-2703 (204) 948-2997télécopieur) abolton@gov.mb.ca Services en français : Suzanne Lavallee (204) 945-8411 slavallee@gov.mb.ca	1er avril 1996	Fournir des services de curateur de dernier recours, professionnels et rentables, qui répondent aux besoins des clients et protègent les intérêts des Manitobains.
Office of the Fire Commissioner	Labour and Immigration	Doug Popowich Fire Commissioner c/o 508 - 401 York Avenue Winnipeg, MB R3C 0P8 (204) 945-3322 / 726-6855 (204) 948-2089 (fax) dpopowich@gov.mb.ca French Language Services: Roger Brunet (204) 945-1285 rbrunet@gov.mb.ca	April 1, 1996	To safeguard persons and property in Manitoba from fire and life safety hazards through education, investigation, emergency response, and code application.
Bureau du commissaire aux incendies	Travail et Immigration	Doug Popowich Commissaire aux incendies a.b.s. 401, avenue York, bureau 508 Winnipeg (Manitoba) R3C 0P8 (204) 945-3322 / 726-6855 (204) 948-2089 (télécopieur) dpopowich@gov.mb.ca Services en français : Roger Brunet (204) 945-1285 rbrunet@gov.mb.ca	1er avril 1996	Protéger les biens et les personnes au Manitoba contre les incendies et les dangers posés à la sécurité des personnes, en éduquant le public, en procédant à des enquêtes, en intervenant en cas d'urgence et en appliquant les codes en vigueur.

Staff (FTE) Personnel (ETP)	2004/05 Financial Results ($000) Résultats financiers en 2004-2005 (en milliers de dollars)			Key Results through 2004/05 Principaux résultats obtenus au cours de l'exercice 2004-2005
		Actual Réels	Budget Budget	
76.28	Revenue	5,437	5,207	• full cost recovery in 2004/05
	Expenses	(5,048)	(5,246)	
	Net Income (Loss)	389	(39)	
	Retained Earnings/ Reserves	1393	965	
76,28	Recettes	5 437	5 207	• totale récupération des coûts en 2004-2005
	Dépenses	(5 048)	(5 246)	
	Résultat net (Perte)	389	(39)	
	Bénéfices non répartis/réserves	1393	965	
62	Revenue	7,512	7,652	• over $23 billion estimated saving in property loss due to fire containment and suppression since 1996 • 82% growth in assets over first year as an SOA • 4, 143 fires investigated since inception, with 79% resulting in determination of cause • 170 emergency responses attended since inception, utilizing 12,716 staff hours • 29 emergency responses attended in 2004/05, utilizing 1,696 staff hours • 31,462 certifications issued by the Manitoba Emergency Services College since inception • overall 90% satisfaction rate for Public Fire Paramedic Program and individual Manitoba Emergency Services College courses in 2004/05
	Expenses	(7,409)	(7,627)	
	Net Income (Loss)	103	25	
	Revenue Sharing	-	-	
	Retained Earnings/ Reserves	87	9	
62	Recettes	7 512	7 652	• plus de 23 milliards de dollars (estimation) d'économies en pertes matérielles grâce au confinement et à l'extinction d'incendies depuis 1996 • 82 % de croissance de l'actif durant la première année en tant qu'OSS • 4 143 incendies faisant l'objet d'une enquête depuis l'obtention du statut d'OSS; 79 % des enquêtes ont permis de déterminer la cause des incendies • participation à 170 interventions d'urgence depuis l'obtention du statut d'OSS et utilisation de 12 716 heures-personnes • sparticipation à 29 interventions d'urgence en 2004-2005 et utilisation de 1 696 heures-personnes • Le Collège des services d'urgence du Manitoba a émis 31 462 accréditations depuis ses débuts • taux de satisfaction global de 90 % pour le Public Fire Paramedic Program et pour les cours individuels au Collège de formation des secouristes du Manitoba en 2004-2005
	Dépenses	(7 409)	(7 627)	
	Résultat net (Perte)	103	25	
	Partage des recettes	-	-	
	Bénéfices non répartis/réserves	87	9	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Food Development Centre	Agriculture, Food and Rural Initiatives	Pat Scott General Manager Box 1240 - 810 Phillips Street Portage la Prairie, MB R1N 3J9 (204) 239-3624 (204) 239-3180 (fax) pscott@gov.mb.ca www.fdc.mb.ca French Language Services: Alphonsus Utioh (204) 239-3179 autioh@fdc.mb.ca	April 1, 1996	To provide leading-edge technical leadership in a proactive manner, in the creation, expansion, and diversification of the agri-food industry within Manitoba, which will generate wealth for Manitoba and Manitobans.
Centre de développement des produits alimentaires	Agriculture, Alimentation et Initiatives rurales	Pat Scott Directrice générale 810, rue Phillips C.P. 1240 Portage-la-Prairie (Manitoba) R1N 3J9 (204) 239-3624 (204) 239-3180 (télécopieur) pscott@gov.mb.ca www.fdc.mb.ca Services en français : Alphonsus Utioh (204) 239-3179 autioh@fdc.mb.ca	1er avril 1996	Fournir un leadership technique de pointe de manière proactive, dans la création, l'expansion et la diversification de l'industrie agro-alimentaire au Manitoba, ce qui créera des richesses pour la province et ses habitants.
The Property Registry	Finance	Rick Wilson Registrar General 14th Floor, 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2243 (204) 948-3276 (fax) rmwilson@gov.mb.ca www.gov.mb.ca/cca/landtitl.html www.gov.mb.ca/cca/personp.html French Language Services: Guy Bilodeau (204) 945-6241 gbilodeau@gov.mb.ca Lee Crierie (204) 945-2042 Elizabeth Sims (204) 476-2106 esims@gov.mb.ca	April 1, 1997	To maintain land records, issue certifications of titles to land, and provide the public with reliable information on financial interests in personal property in Manitoba.
Office d'enregistrement des titres et des instruments	Finances	Rick Wilson Registraire général 405 Broadway, 14e étage Winnipeg (Manitoba) R3C 3L6 (204) 945-2243 (204) 948-3276 (télécopieur) rmwilson@gov.mb.ca www.gov.mb.ca/cca/landtitl.html www.gov.mb.ca/cca/personp.html Services en français : Guy Bilodeau (204) 945-6241 gbilodeau@gov.mb.ca Lee Crierie (204) 945-2042 Elizabeth Sims (204) 476-2106 esims@gov.mb.ca	1er avril 1997	Tenir à jour les documents relatifs aux terres, délivrer des certificats de titre de bien-fonds et fournir au public des renseignements fiables sur les intérêts financiers relatifs aux biens personnels au Manitoba.

Staff (FTE) Personnel (ETP)	2004/05 Financial Results ($000) Résultats financiers en 2004-2005 (en milliers de dollars)			Key Results through 2004/05 Principaux résultats obtenus au cours de l'exercice 2004-2005
		Actual Réels	Budget Budget	
18	Revenue	2,227	2,967	• 13 new employment opportunities created in private sector • 166 new products developed since 1998
	Expenses	(2,227)	(2,967)	
	Net Income (Loss)	-	-	
	Retained Earnings	307	307	
18	Recettes	2 227	2 967	• 13 possibilités d'emploi créées dans le secteur privé • 166 nouveaux produits mis au point depuis 1998
	Dépenses	(2227)	(2 967)	
	Résultat net (Perte)	-	-	
	Bénéfices non répartis	307	307	
151	Revenue	19,796	16,853	• same day turn around on Personal Property Registry printed registrations compared to benchmark of five days • 98% hit rate on electronic registration in Personal Property Registry • 97% hit rate on electronic searches in Personal Property Registry • 97% hit rate on electronic searches in Winnipeg Land Titles Office • less than two day average turn around for rural land title registrations compared to benchmark of three days • 100% preservation of land certificates of title on microfilm
	Expenses	(12,706)	(13,874)	
	Net Income (Loss)	7,090	2,979	
	Revenue Sharing	(6,800)	(5,600)	
	Retained Earnings	8,615	5,704	
151	Recettes	19 796	16 853	• service circulaire le jour même pour les enregistrements imprimés au Bureau d'enregistrement relatif aux biens personnels (par rapport au délai de référence de cinq jours) • 98 % de succès dans les enregistrements électroniques au Bureau d'enregistrement relatif aux biens personnels • 97 % de succès dans les recherches électroniques au Bureau d'enregistrement relatif aux biens personnels • 97 % de succès dans les recherches électroniques au Bureau des titres fonciers de Winnipeg • service circulaire en moins de deux jours en moyenne pour les enregistrements de titres fonciers ruraux (par rapport au délai de référence de trois jours) • 100 % de préservation des certificats de titre foncier sur microfilm
	Dépenses	(12 706)	(13 874)	
	Résultat net (Perte)	7 090	2 979	
	Partage des recettes	(6 800)	(5 600)	
	Bénéfices non répartis	8 615	5 704	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Manitoba Securities Commission	Finance	Don Murray Chairman 1130 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2548 (204) 945-0330 (fax) dmurray@gov.mb.ca www.msc.gov.mb.ca French Language Services: Teresa Sigurdson (204) 945-2548 tsigurdson@gov.mb.ca	April 1, 1999	To act in the public interest to protect Manitoba investors and to facilitate dynamic and competitive capital and real estate markets that contribute to the economic development of Manitoba while fostering public confidence in those markets
Commission des valeurs mobilières du Manitoba	Finances	Don Murray Président 405 Broadway, bureau 1130 Winnipeg (Manitoba) R3C 3L6 (204) 945-2548 (204) 945-0330 (télécopieur) dmurray@gov.mb.ca www.msc.gov.mb.ca Services en français : Teresa Sigurdson (204) 945-2548 tsigurdson@gov.mb.ca	1^er^ avril 1999	Agir pour le bien commun en protégeant les investisseurs manitobains et en favorisant le dynamisme et la compétitivité des marchés financiers et des marchés des valeurs mobilières qui contribuent au développement économique du Manitoba, tout en stimulant la confiance du public envers ces marchés.

Staff (FTE) Personnel (ETP)	2004/05 Financial Results ($000) Résultats financiers en 2004-2005 (en milliers de dollars			Key Results through 2004/05 Principaux résultats obtenus au cours de l'exercice 2004-2005
		Actual Réels	Budget Budget	
35	Revenue	9,838	8,199	• 14% increase in net earnings over 2003/04 • 32% increase in hits on web site over 2003/04 • expenses under budget by 13% • 12% increase in Corporate Finance revenues over 2003/04 • 29 investor claims for financial compensation with a total claims value in excess of $800,000 approved for hearings
	Expenses	(3,241)	(3,655)	
	Net Income (Loss)	6,597	4,544	
	Revenue Sharing	(7,000)	(7,000)	
	Retained Earnings/ Reserves	4,019	1,966	
35	Recettes	9 838	8 199	• 14% d'augmentation des bénéfices nets par rapport à 2003-2004 • 32 % d'augmentation du nombre d'interrogations du site Web par rapport à 2003-2004 • dépenses affichant des résultats négatifs de 13 % • 12 % d'augmentation des revenus de financement général par rapport à 2003-2004 • 29 réclamations de compensation financière de la part d'investisseurs, pour un total de 800 000 $ approuvés en vue d'une audition
	Dépenses	(3 241)	(3 655)	
	Résultat net (Perte)	6 597	4 544	
	Partage des recettes	(7 000)	(7 000)	
	Bénéfices non répartis/réserves	4 019	1 966	

Special Operating Agencies Financing Authority

Financial Statements

March 31, 2005

Management Report

The accompanying financial statements are the responsibility of the management of the Special Operating Agencies Financing Authority and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to July 7, 2005.

Management maintains internal controls to properly safeguard the Financing Authority's assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Auditor General is to express an independent opinion on whether the financial statements of the Financing Authority are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

Wayne L McIntosh

Wayne L. McIntosh
Acting Chairperson,
Special Operating Agencies Financing Authority

July 7, 2005

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Member of the Special Operating Agencies Financing Authority

We have audited the combined balance sheet of the Special Operating Agencies Financing Authority at March 31, 2005 and the combined statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these combined financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2005 and results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
July 7, 2005

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Balance Sheet
(In Thousands)

March 31	2005	2004 (restated)
Assets		
Current:		
Cash	$ 8,329	$ 6,073
Restricted cash for expansion (Note 3)	-	765
Term deposits with the Minister of Finance	17,484	20,154
Customer deposits	1,180	1,160
Accounts receivable (Note 4)	11,240	10,600
Inventories	4,779	5,031
Prepaid expenses	2,538	2,574
	45,550	46,357
Trust assets	12	11
Restricted deposits (Note 6)	1,000	1,000
Deposit in joint venture (Note 7)	200	-
Capital assets (Note 5)	64,523	58,614
Receivable from the Province of Manitoba (Note 8)	5,123	5,123
	$ 116,408	$ 111,105
Liabilities		
Current:		
Working capital advances (Note 9)	$ 7,099	$ 7,701
Accounts payable and accruals	14,273	14,117
Unearned revenue	3,345	3,166
Current portion - capital lease obligations (Note 12)	47	58
Current portion - long-term debt (Note 11)	6,237	7,946
	31,001	32,988
Trust liabilities	12	11
Unearned revenue	917	1,227
Deferred Capital Contributions (Note 10)	8,261	3,367
Capital lease obligations (Note 12)	30	78
Long-term debt - Province of Manitoba (Note 11)	16,416	13,176
Severance liability (Note 14)	4,679	4,431
	61,316	55,278
Equity		
Contributed equity (Note 15)	17,828	17,828
Reserve funds (Note 16)	1,600	1,500
Retained earnings (Note 15)	35,664	36,499
	55,092	55,827
	$ 116,408	$ 111,105

Commitments (Note 17)

See accompanying notes to the financial statements.

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Statement of Income and Retained Earnings

(In Thousands)

Year Ended March 31	2005	2004 (restated)
Special Operating Agencies Financing Authority		
Revenue		
Annual levy	15	$ 7
Treasury Board Secretariat/Finance contribution	100	100
	115	107
Expenses		
Salaries and benefits	86	86
Other operating	25	26
	111	112
Financing Authority operations	4	(5)
Special Operating Agency operations – net income (loss)		
Civil Legal Services	193	146
Companies Office	1,504	1,018
Fleet Vehicles Agency	1,242	2,170
Food Development Centre	0	206
Industrial Technology Centre	(349)	(11)
Land Management Services	294	303
Mail Management Agency	107	83
MERLIN	(28)	5
Manitoba Securities Commission	6,597	5,823
Manitoba Text Book Bureau	(42)	18
Materials Distribution Agency	60	309
Office of the Fire Commissioner	103	447
Organization and Staff Development	83	(68)
Pineland Forest Nursery	(181)	(175)
The Property Registry	7,090	5,066
The Public Trustee	389	336
Vital Statistics Agency	174	280
Net income for the year	17,240	15,951
Retained earnings, beginning of year, as previously reported	36,620	32,925
Prior period adjustment (Note 23)	(121)	(27)
Retained earnings, beginning of year, as restated	36,499	32,898
Transfer to Reserve Funds (Note 16)	(100)	-
Transfer of surplus funds to the Province of Manitoba		
Civil Legal Services	(200)	(200)
Companies Office	(1,700)	(800)
Fleet Vehicles Agency	(1,500)	(1,500)
Land Management Services	(250)	(250)
Manitoba Securities Commission	(7,000)	(5,700)
Materials Distribution Agency	(400)	(400)
The Property Registry	(6,800)	(3,500)
Vital Statistics Agency	(125)	-
Retained earnings, end of year	$ 35,664	$ 36,499

See accompanying notes to the financial statements.

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Statement of Cash Flows

(In Thousands)

Year Ended March 31	2005	2004 (restated)
Cash derived from (applied to):		
Operating		
Net income	$ 17,240	$ 15,951
Amortization	11,738	11,504
Amortization of deferred capital contributions	(112)	(51)
Gain on disposal of capital assets	(353)	(702)
	28,513	26,702
Change in:		
Customer deposit accounts	(20)	6
Accounts receivable	(640)	(540)
Inventories	252	(262)
Prepaid expenses	36	(406)
Accounts payable and accruals	156	3,363
Severance liability	248	140
Unearned revenue	(131)	545
Cash derived from operating activities	28,414	29,548
Investing		
Proceeds from disposal of capital assets	1,440	1,678
Acquisition of capital assets	(18,734)	(18,462)
Deposit in joint venture	(200)	-
Cash applied to investing activities	(17,494)	(16,784)
Financing		
Contributed equity	-	166
Receivable from the Province	-	(54)
Proceeds from long-term debt	10,045	3,349
Long-term debt repayments	(8,514)	(2,614)
Capital lease obligations	(59)	(60)
Transfer of surplus funds	(17,975)	(12,350)
Change in deferred contributions	5,006	66
Cash applied to financing activities	(11,497)	(11,497)
Increase (decrease) in cash	(577)	1,267
Cash and cash equivalents:		
Beginning of year	19,291	18,024
End of year	$ 18,714	$ 19,291
Represented by:		
Cash	$ 8,329	$6,073
Term deposits with the Minister of Finance	17,484	20,154
Restricted cash for expansion (Note 3)	-	765
Working capital advances	(7,099)	(7,701)
	$ 18,714	$ 19,291

See accompanying notes to the financial statements.

1. Nature of organization

The Special Operating Agencies Financing Authority (the "Financing Authority") is a body corporate established effective April 1, 1992 under ***The Special Operating Agencies Financing Authority Act***. Under the direction of the Minister of Finance, the Financing Authority consists of the Chairperson as its sole member and receives staff support from the Department of Finance.

The Financing Authority provides a mechanism for funding Special Operating Agencies (SOAs) that operate outside the Consolidated Fund. It functions as a non-operating holding company, with the mandate to hold and acquire assets required for and resulting from SOA operations. It finances SOAs through contributed equity, repayable loans, and working capital advances. This financial framework enables SOAs to operate in a business-like manner within government policy expectations.

SOAs are designated by regulation under the Act and operate under a charter approved by the Lieutenant Governor in Council. A management agreement between the Financing Authority and the Minister responsible for each SOA assigns responsibility to the agency to manage and account for SOA-related assets and operations on behalf of the Financing Authority. SOAs remain accountable to their Minister for the results they achieve with the authority and resources granted.

The Financing Authority is economically dependent on the Province of Manitoba. Currently, the Financing Authority derives most of its revenue and all of its capital financing requirements from the Province.

SOAs in operation during the fiscal year ended March 31, 2005 were as follows:

Civil Legal Services, Department of Justice
Companies Office, Department of Finance
Fleet Vehicles Agency, Department of Transportation and Government Services
Food Development Centre, Department of Agriculture, Food and Rural Initiatives
Industrial Technology Centre, Department of Energy, Science and Technology
Land Management Services, Department of Transportation and Government Services
Mail Management Agency, Department of Transportation and Government Services
Manitoba Education, Research and Learning Information Networks (MERLIN), Department of Energy, Science and Technology
Manitoba Securities Commission, Department of Finance
Manitoba Text Book Bureau, Department of Education, Citizenship and Youth
Materials Distribution Agency, Department of Transportation and Government Services
Office of the Fire Commissioner, Department of Labour and Immigration
Organization and Staff Development, Civil Service Commission
Pineland Forest Nursery, Department of Conservation
The Property Registry, Department of Finance
The Public Trustee, Department of Justice
Vital Statistics Agency, Department of Finance.

2. Significant accounting policies

The financial statements of the Financing Authority are presented in accordance with Canadian generally accepted accounting principles.

Basis of reporting

The financial statements of the Financing Authority reflect the financial position and operating results of SOAs currently governed by management agreements with the Financing Authority. These statements are presented on a combined basis. Therefore, inter-agency balances and transactions have not been eliminated.

The following policies apply to the Financing Authority, as well as to all agencies combined herein.

Amortization of capital assets

Vehicles, fire engines	30%, declining balance
Vehicles (signed lease agreement)	straight line over term of lease
Equipment and furniture	6 2/3% - 33%, straight line 20%, declining balance
Computer equipment and software	20%, straight line 20%, declining balance
Rental equipment (Materials Distribution Agency)	2, 3, or 5 years, straight line
Buildings	5 - 40 years, straight line
Practical training site (Office of the Fire Commissioner)	20 years, straight line
Leasehold improvements	3 - 10 years, straight line
Other assets	5 - 10 years, straight line 20%, declining balance straight line over term of lease

Inventories

Inventories are valued at the lower of cost and market value.

Financial Instruments

The carrying amounts of the current assets and liabilities are reasonable estimates of their fair value because of the short-term maturity of these instruments.

Administrative expenses paid by the Province of Manitoba

The Treasury Board Secretariat / Finance contribution covers salaries and benefits and certain operating expenses, paid by the Province of Manitoba on behalf of the Financing Authority.

Use of estimates

In the preparation of the Financing Authority's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the period. Actual amounts could differ from these estimates.

3. Restricted cash for expansion

In April 2002 the Food Development Centre received approval for an $11 million expansion funded by the Federal and Provincial governments.

As at March 31, 2005 $ nil ($765 – 2004) is being held on deposit with the Minister of Finance.

4. Accounts receivable

	2005	2004
Trade	$10,506	$10,034
Insurance agency rebate	388	367
Other	346	199
	$ 11,240	$ 10,600

The trade receivables are mostly due from the Province of Manitoba.

The insurance agency rebate is for discounts receivable by the Fleet Vehicles Agency from the Manitoba Public Insurance Corporation based on favourable claims experience for the Province's vehicle fleet in the previous insurance year.

5. Capital assets

	Cost	Accumulated Amortization	2005 Net Book Value	2004 Net Book Value
Vehicles, fire engines	$ 80,502	$ 37,544	$ 42,958	$ 40,362
Equipment and furniture	11,940	6,684	5,256	3,881
Rental equipment	3,275	2,317	958	775
Computer equipment and software	5,626	4,008	1,618	1,442
Buildings	7,975	3,337	4,638	4,917
Practical training site	1,964	669	1,295	1,363
Building in Progress	6,205	0	6,205	4,077
Leasehold improvements	1,804	1,197	607	672
Other assets	2,779	1,791	988	1,125
	$ 122,070	$ 57,547	$ 64,523	$ 58,614

6. Restricted deposits

The Manitoba Securities Commission maintains separate short-term deposits with the Province of Manitoba to fund revenue fluctuations and to respond to unforeseen events that cannot reasonably be budgeted for within the annual business planning process.

7. Deposit in Joint Venture

During the year, the Food Development Centre contributed $200 towards the purchase of a piece of equipment for Great Plains Aseptic Processors Ltd. To date, no formal agreement has been finalized as to the revenue sharing arrangement from this piece of equipment.

8. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of certain agencies prior to their designation as SOAs. It also includes severance pay benefits earned by SOA employees to March 31, 1998, as well as the benefits accumulated by the employees of the Manitoba Securities Commission prior to March 31, 1999. The balance is comprised of:

	2005	2004
Vacation entitlements	$ 1,711	$ 1,711
Severance pay benefits	3,412	3,412
	$ 5,123	$ 5,123

The receivable or portion thereof, for an individual SOA will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of an SOA.

9. Working capital advances

The Minister of Finance, with Lieutenant-Governor-in-Council approval by Orders in Council 747/1992, 242/1994, 152/1995, 151/1996, 136/1997, 168/1998, and 129/2000, has arranged for working capital advances to be available to the Financing Authority. The aggregate of the outstanding advances is not to exceed $20,370 (2004 - $20,370) at any one time. As at March 31, 2005, $ 13,271 (2004 - $12,669) of these advances was unused and available.

Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements
(In Thousands)

March 31, 2005

10. Deferred Capital Contributions

Funds received prior to March 31, 2005 by the Food Development Centre from the Federal government and the Province of Manitoba related to the expansion of an existing facility are recorded as deferred capital contributions. These amounts will be taken into income to match the amortization of the expansion.

11. Long-term debt - Province of Manitoba

		2005	2004
5.5%	repayable in semi-annual instalments of $232 principal and interest, maturing in 2004	$ -	$ 225
6%	repayable in semi-annual instalments of $141 principal and interest, maturing in 2004	-	137
9%	repayable in annual instalments of $55 principal and interest, maturing in 2005	-	51
6.875%	repayable in semi-annual instalments of $408 principal and interest, maturing in 2005	-	1,143
6.625%	repayable in semi-annual instalments of $167 principal and interest, maturing in 2005	161	615
5.75%	repayable in semi-annual instalments of $495 principal and interest, maturing in 2006	949	2,275
5.375%	repayable in semi-annual instalments of $121 principal and interest, maturing in 2006	345	663
4.75%	repayable in semi-annual instalments of $243 principal and interest, maturing in 2006	695	1,344
5.625%	repayable in semi-annual instalments of $174 principal and interest, maturing in 2007	650	1,093
4.25%	repayable in semi-annual instalments of $179 principal and interest, maturing in 2007	842	1,307
4.75%	repayable in semi-annual instalments of $397 principal and interest, maturing in 2008	2,198	3,186
6.425%	repayable in semi-annual instalments of $146 principal and interest, maturing in 2009	1,015	1,334
5.25%	repayable in semi-annual instalments of $159 principal and interest, maturing in 2009	1,263	1,622

Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements
(In Thousands)

March 31, 2005

5.625%	repayable in semi-annual instalments of $134 principal and interest, maturing in 2009	1,055	1,352
5.125%	repayable in semi-annual instalments of $123 principal and interest, maturing in 2010	1,162	1,426
3.50%	repayable in semi-annual instalments of $259 principal and interest, maturing in 2009	1,916	-
4.875%	repayable in semi-annual instalments of $137 principal and interest, maturing in 2011	1,507	1,745
3.625%	repayable in semi-annual instalments of $149 principal and interest, maturing in 2009	1,103	1,355
4.125%	repayable in semi-annual instalments of $56 principal and interest, maturing in 2009	455	-
4%	repayable in semi-annual instalments of $ 167 principal and interest, maturing in 2010	1,500	-
4.375%	repayable in semi-annual instalments of $438 principal and interest, maturing in 2010	3,900	-
4.75%	repayable in semi-annual instalments of $ 137 principal and interest, maturing in 2012	1,706	-
5.8%	repayable in annual instalments of $18 principal plus interest, maturing in 2017	231	249
		22,653	21,122
	Amount due within one year	6,237	7,946
		$ 16,416	$ 13,176

Principal repayments in each of the next five years are as follows:

2006	6,237
2007	5,005
2008	4,334
2009	3,548
2010	2,242

As at March 31, 2005, the Financing Authority had $4,287 remaining in loan authority under previous ***Loan Acts***. ***The Loan Act, 2005*** received Legislative approval on June 16, 2005. The original loan authority, under ***The Loan Act 2004*** and ***The Loan Act 2005*** is:

	The Loan Act, 2005	***The Loan Act, 2004***
for Fleet Vehicles Agency	$7,600	$7,000

12. Capital lease obligations

The Mail Management Agency and the Property Registry have obligations of $72 and $5 respectively under capital leases. The agreements carry various terms and conditions.

The estimated minimum lease payments which include principal and interest under the capital lease obligations for equipment are as follows:

2006	$ 47
2007	30
	77
Less: current portion	47
	$ 30

13. Pension benefits

Employees of SOAs are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Prior to April 1, 2001, only the Industrial Technology Centre and the Food Development Centre matched their employee's current contributions to the CSSB and had no additional liability under the Act.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the remaining SOAs transferred to the Province the pension liability for their employees.

Commencing April 1, 2001, the SOAs were required to pay to the Province an amount equal to their employees' current pension contributions.

14. Severance liability

Effective April 1, 1998, SOAs began recording accumulated severance pay benefits for their employees. The estimate of the liability was based on the method of calculation set by the Province of Manitoba.

The Province accepted responsibility for the severance benefits accumulated by SOA employees to March 31, 1998, as well as for the benefits accumulated by employees of the Manitoba Securities Commission to March 31, 1999. Accordingly, the opening severance pay liability balances as at April 1, 1998 calculated at $3,511 and as at April 1, 1999 calculated at $135 were completely offset by a receivable from the Province.

An actuarial valuation report of the severance liability of SOAs was completed as at March 31, 2000. The recorded liability as at March 31, 2000 was restated to $3,676, and the receivable from the Province was restated to $3,412 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides

14. Severance liability (continued)

a formula to update the liability on an annual basis. In accordance with the formula, the actuarial liability of SOAs has been calculated to be $4,679 as at March 31, 2005.

15. Equity

Contributed equity	2005	2004
Fleet Vehicles Agency	$ 4,284	$ 4,284
Industrial Technology Centre	62	62
Mail Management Agency	51	51
Manitoba Text Book Bureau	550	550
Materials Distribution Agency	1,246	1,246
Office of the Fire Commissioner	11,279	11,279
Pineland Forest Nursery	356	356
	$17,828	$17,828

Retained earnings	2005	2004
Civil Legal Services	$707	$ 714
Companies Office	1,744	1,940
Fleet Vehicles Agency	13,364	13,622
Food Development Centre	307	307
Industrial Technology Centre	847	1,196
Land Management Services	401	357
Mail Management Agency	445	338
MERLIN	(357)	(329)
Manitoba Securities Commission	3,019	3,422
Manitoba Text Book Bureau	102	144
Materials Distribution Agency	3,530	3,870
Office of the Fire Commissioner	(13)	(16)
Organization and Staff Development	361	278
Pineland Forest Nursery	232	413
The Property Registry	8,615	8,325
The Public Trustee	1,393	1,004
Vital Statistics Agency	961	912
Financing Authority	6	2
	$35,664	$36,499

16. Reserve funds

The Public Trustee

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses. The balance of the reserve at March 31, 2005 is $500 (2004 - $500).

Manitoba Securities Commission

The Manitoba Securities Commission has allocated a reserve out of retained earnings to provide for extraordinary regulatory expenses and changes in market activity affecting revenue. The balance of the reserve at March 31, 2005 is $1,000 (2004 - $1,000).

Office of the Fire Commissioner

The Office of the Fire Commissioner received approval from Treasury Board in Fiscal 2004/05 to establish a special reserve fund for water bomber fire suppression activities. This fund, which will be capped at an amount of $200, will be utilized to cover the costs associated with water bomber deployment for non-forest fire incidents occurring on Rural Municipality property. The balance of the reserve at March 31, 2005 is $100 (2004 - $nil)

17. Commitments

Commitments for SOAs with building lease agreements at March 31, 2005 total $10,864 (2004 - $9,268). Estimated minimum lease payments for each of the next five years are as follows:

2006	$2,009
2007	1,550
2008	1,544
2009	1,590
2010	1,590

Other commitments entered into by SOAs are as follows:

Office of the Fire Commissioner	Vehicle lease agreements	363
Food Development Centre	Building and equipment for expansion project	4,719
Land Management Services	Office equipment and vehicle leases	115
The Public Trustee	Desktop Computing	231
The Property Registry	Equipment lease agreements	435
		$5,863

18. Estates and trusts under administration

The Public Trustee has statutory responsibility for administering clients' estates and trusts. The client assets under administration at March 31, 2005 total approximately $177,000 (2004 - $172,000). The trust activities of The Public Trustee are reported in separate audited financial statements for Estates and Trusts under Administration.

19. Public sector compensation

No employee of the Financing Authority received compensation of $50 or more during the year ended March 31, 2005.

Compensation information for each SOA is disclosed in the notes to their audited financial statements.

20. Subsequent Event

The Province of Manitoba approved the amalgamation of the operations of Mail Management Agency and Materials Distribution Agency effective April 1, 2005. The amalgamated operations will operate as Materials Distribution Agency.

Effective April 2005, the Winnipeg Regional Health Authority (WRHA) commenced purchasing and distributing Home Care products from their own premises and has informed the Materials Distribution Agency of their intention to do the same for Ostomy products effective September 2005. This will result in an estimated loss of $3,500 in sales in the 2005-06 fiscal year and $4,500 in sales in the 2006-07 fiscal year.

The Manitoba Securities Commission has been named as a defendant in a statement of claim. At the time of the preparation of these financial statements, the outcome of this claim was undeterminable. The cost of a future settlement, if any, will be reflected as an expense in the year paid.

21. Contingency

In the fiscal year 2004, the Manitoba Securities Commission was named as defendant in a statement of claim. At the time of preparation of these financial statements, the outcome of this claim was undeterminable. The cost of a future settlement, if any, will be reflected as an expense in the year paid.

22. Comparative figures

Comparative figures for the year ended March 31, 2004 have been restated, where appropriate, to conform to the presentation adopted for March 31, 2005.

23. Prior period adjustment

During the year, Materials Distribution Agency discovered that sales were recorded in the prior year without any cost of goods sold relating to those sales. The correction was accounted for retroactively with a restatement of the prior period. As at March 31, 2004, this correction reduced net income and retained earnings by $93 and increased the accounts payable and accrued liabilities by $93.

In 2004 and prior years, accrued liabilities for Organization & Staff Development did not include all vacation earned by employees as at March 31 for use in the following year. This change to include all vacation earned to March 31 has been reflected in the current and prior year. As a result, beginning retained earnings for 2004 has decreased by $27, salaries and benefits expense in 2004 has increased by $1 and accounts payable and accrued liabilities have increased by $28 as at March 31, 2004.

APPENDIX

Agency Financial Statements

- Fleet Vehicles Agency
- Materials Distribution Agency
- Organization and Staff Development
- Vital Statistics Agency
- Civil Legal Services
- Manitoba Education, Research and Learning Information Networks
- Land Management Services
- Pineland Forest Nursery
- Companies Office
- Manitoba Text Book Bureau
- Mail Management Agency
- Industrial Technology Centre
- The Public Trustee of Manitoba
- Office of the Fire Commissioner
- Food Development Centre
- The Property Registry
- Manitoba Securities Commission

Fleet Vehicles Agency
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Financial Statements

(In Thousands)

March 31, 2005

Grant Thornton

FLEET
VEHICLES AGENCY

Contents

	Page
Responsibility for Financial Reporting	1
Auditors' Report	2
Statements of Earnings and Retained Earnings	3
Balance Sheet	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-12
Schedule of Other Revenue and Expenses - Vehicles and Equipment	13
Schedule of Revenue and Expenses - Radio Services	14

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility for Financial Reporting

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with Canadian generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Grant Thornton LLP, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

An Advisory Board is available to meet, as required, with management to review accounting practices, financial reporting and to discuss audit results. During the year, management met twice with the Advisory Board. The auditors have free and full access to this Board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

Ducharme

Dennis Ducharme
Chief Operating Officer

Albert Ogonoski

Albert Ogonoski
Manager, Finance

May 13, 2005

Grant Thornton

Grant Thornton LLP
Chartered Accountants
Management Consultants

Auditors' Report

To the
Special Operating Agencies Financing Authority

We have audited the balance sheet of **Fleet Vehicles Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba** as at March 31, 2005 and the statements of earnings, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Winnipeg, Canada
May 13, 2005

Chartered Accountants

900 - One Lombard Place
Winnipeg, Manitoba
R3B 0X3
T (204) 944-0100
F (204) 957-5442
E Winnipeg@GrantThornton.ca
W www.GrantThornton.ca

Canadian Member of Grant Thornton International

Fleet Vehicles Agency

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Statements of Earnings and Retained Earnings

(In Thousands)

Year Ended March 31	2005	2004
Revenue		
Vehicle and equipment leases	$ 26,298	$ 25,259
Gain on disposal of vehicles and equipment, net	357	704
Interest income	7	35
Other revenue (Page 13)	2,188	1,898
	28,850	27,896
Expenses		
Salaries	2,168	2,173
Vehicle and equipment operating expenses (Page 13)	22,938	21,291
Administrative expenses (Page 13)	1,489	1,360
Community service	43	44
Interest expense	1,022	1,089
	27,660	25,957
Earnings before other income	1,190	1,939
Other income		
Radio Services, net (Page 14)	52	231
Net earnings	$ 1,242	$ 2,170

	2005	2004
Retained earnings, beginning of year	$ 13,622	$ 12,952
Net earnings	1,242	2,170
Revenue sharing to the Consolidated Fund	(1,500)	(1,500)
Retained earnings, end of year	$ 13,364	$ 13,622

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Balance Sheet

(In Thousands)

March 31	2005	2004
Assets		
Current		
Receivables (Note 3)	$ 2,597	$ 2,129
Inventories	185	231
Prepaids	1,859	1,739
	4,641	4,099
Capital assets (Note 4)	43,221	40,675
Receivable from the Province of Manitoba		
Severance pay benefits (Note 5)	270	270
	$ 48,132	$ 45,044
Liabilities		
Current		
Working capital payable, net of cash (Note 6)	$ 3,740	$ 2,660
Payables and accruals	2,849	2,256
Unearned revenue	1,046	1,014
Current portion of long-term debt	6,219	7,877
	13,854	13,807
Long-term debt (Note 7)	16,203	12,945
Severance pay liability (Note 5)	427	386
	30,484	27,138
Equity		
Contributed equity (Note 8)	4,284	4,284
Retained earnings	13,364	13,622
	17,648	17,906
	$ 48,132	$ 45,044

Commitments (Note 9)

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows

(In Thousands)

Year Ended March 31	2005	2004
Increase (decrease) in cash and cash equivalents		
Operating		
Net earnings	$ 1,242	$ 2,170
Amortization	8,814	8,521
Gain on disposal of vehicles and equipment, net	(357)	(704)
Increase in severance pay liability	41	108
Payment of severance pay benefits		(12)
	9,740	10,083
Change in		
Receivables	(468)	(329)
Inventories	46	(162)
Prepaids	(120)	(201)
Payables and accruals	593	1,369
Revenue sharing to the Consolidated Fund		(375)
Unearned revenue	32	34
	9,823	10,419
Investing		
Proceeds from disposal of vehicles and equipment	1,440	1,670
Acquisition of vehicles and equipment for lease	(12,268)	(10,941)
Acquisition of equipment for operations	(175)	(158)
Consolidation of net assets of Radio Services		166
	(11,003)	(9,263)
Financing		
Proceeds from Loan Act Authority drawdowns	10,045	3,100
Long-term debt repayments	(8,445)	(2,567)
Revenue sharing to the Consolidated Fund	(1,500)	(1,500)
Receivable from the Province of Manitoba		(76)
	100	(1,043)
Net (decrease) increase in cash and cash equivalents	(1,080)	113
Working capital payable, net of cash and cash equivalents		
Beginning of year	(2,660)	(2,773)
End of year	$ (3,740)	$ (2,660)

See accompanying notes to the financial statements.

1. Nature of organization

In 1934, Fleet Vehicles was created as a branch of the Manitoba Provincial Government to provide a centralized fleet management program. It was established to achieve economies of scale and to lower overall fleet costs to government.

Effective April 1, 1992, the Fleet Vehicles branch was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 2003, the Radio Services Program within the Desktop, Telecommunications and Network Services Branch of the Department of Transportation and Government Services was transferred to the Agency.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A 1992 Management Agreement between SOAFA and the then Minister of Government Services assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

Fleet Vehicles Agency continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and the Minister of Transportation and Government Services.

Fleet Vehicles Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

Fleet Vehicles Agency is economically dependent on The Government of Manitoba, as it derives most of its revenue and all of its capital financing requirements from the Province.

2. Significant accounting policies

Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and short-term investments with original maturities of six months or less. Bank borrowings are considered to be financing activities.

Inventories

Inventories are valued at the lower of cost and market value. Cost is determined on a weighted average basis.

Capital assets

Rates and bases of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Vehicles	30%,	declining balance
Vehicles and equipment (signed lease agreement)		straight line over term of lease
Office and shop equipment	20%,	declining balance
Computer software and equipment	20%,	straight line
Leasehold improvements	10%,	straight line

Pension benefits

Employees of Fleet Vehicles Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred the pension liability for its employees to the Province.

Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for the year ended March 31, 2005 was $121 (2004: $112).

Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

2. Significant accounting policies (continued)

Financial instruments

The Agency's financial instruments consist of accounts receivable, accounts payable and long-term debt. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Revenue recognition

Fixed rate lease revenue is recognized on a straight-line basis over the term of the lease. Variable rate lease revenue is recognized monthly based on equipment usage. Service revenue is recognized when the services have been performed.

3. Receivables

	2005	2004
Trade	$ 1,342	$ 964
Accrued trade	867	798
Insurance agency rebate receivable	388	367
	$ 2,597	$ 2,129

4. Capital assets

			2005	2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicles and equipment for lease	$ 79,449	$ 36,751	$ 42,698	$ 40,056
Office, shop and computer equipment	1,214	890	324	370
Leasehold improvements	589	390	199	249
	$ 81,252	$ 38,031	$ 43,221	$ 40,675

5. Severance pay liability

Effective April 1, 1998, the Agency commenced recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of 15 years, by the weekly salary at date of retirement, provided the employee has reached nine years of service and retires from the Agency. Effective April 2000, there is also additional severance pay for employees with 20 or more years of accumulated service. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees through specific dates. That responsibility is currently reflected by a $194 receivable from the Province for the employees at the Agency as of March 31, 1998, together with a $76 receivable from the Province for the employees at Radio Services as of March 31, 2004, who are also now with the Agency.

The receivable from the Province will only be collected, in whole or in part, in the event there is a cash shortfall in the Agency. It is probable, therefore, that collection will only occur on the dissolution of the Agency.

An actuarial valuation report from February 2001 provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's liability is recalculated annually, with payments to retiring employees no longer with the Agency or the Province charged against the liability.

6. Working capital payable

The Agency has an authorized line of working capital advances of $4,000, $3,778 of which was used as of March 31, 2005 (2004: $2,730).

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements
(In Thousands)
March 31, 2005

7. Long-term debt

By virtue of the Management Agreement, the Agency is responsible for the repayment of debts assumed by the Special Operating Agencies Financing Authority (SOAFA) on its behalf. SOAFA holds the debt instruments listed in this Note on behalf of Fleet Vehicles Agency.

Loan Act Authority long-term debt is repayable in semi-annual instalments of principal and interest, as follows:

Interest Rate	Instalment Amount	Maturity Date	Principal Balance Owing March 31	
			2005	2004
5 ½%	$ 232	March 31, 2004	$	$ 225
6%	141	March 31, 2004		137
6 ⅞%	408	March 31, 2005		1,143
6 ⅝%	167	September 30, 2005	**161**	615
5 ¾%	495	March 31, 2006	**949**	2,275
5 ⅜%	121	September 30, 2006	**345**	663
4 ¾%	243	September 30, 2006	**695**	1,344
5 ⅝%	174	March 31, 2007	**650**	1,093
4 ¼%	179	September 30, 2007	**842**	1,307
4 ¾%	397	March 31, 2008	**2,198**	3,186
6.425%	146	March 31, 2009	**1,015**	1,334
3 ⅝%	149	March 31, 2009	**1,103**	
3 ½%	259	March 31, 2009	**1,916**	1,355
5 ¼%	159	September 30, 2009	**1,263**	1,622
5 ⅝%	134	September 30, 2009	**1,055**	1,352
4 ⅛%	56	September 30, 2009	**455**	
4%	167	March 31, 2010	**1,500**	
4 ⅜%	438	March 31, 2010	**3,900**	
5 ⅛%	123	September 30, 2010	**1,162**	1,426
4 ⅞%	137	September 30, 2011	**1,507**	1,745
4 ¾%	137	September 30, 2012	**1,706**	
Total principal owing as of March 31			**22,422**	20,822
Amount due within one year			**6,219**	7,877
Long-term debt as of March 31			**$ 16,203**	$ 12,945

Unused loan authority of $4,000 was available as of March 31, 2004. An additional $7,000 of loan authority availability was approved during June 2004 in The Loan Act, 2004. Following the draw down of $10,045 during the year, there is $955 in unused loan authority remaining as of March 31, 2005, to be used towards the purchase of vehicles and equipment for lease.

7. Long-term debt (continued)

Principal ($2,685) and interest ($500) payments due on March 31, 2004, were not made until April 2004. Accordingly, the principal amount paid within the year ended March 31, 2005, included the principal portions for three semi-annual payments.

As of March 31, 2005, principal repayments in each of the next five years are as follows:

2006	$	6,219
2007		4,987
2008		4,316
2009		3,530
2010		2,224

8. Contributed equity

The Special Operating Agencies Financing Authority (SOAFA) and The Government of Manitoba entered into a Transfer Agreement in connection with the transfer from the Government to SOAFA of assets valued at $12,353 required for the continuing operations of Fleet Vehicles Agency as of March 31, 1992. The Agency has repaid the debt portion in the amount of $8,235 (2/3 of the value of the assets) and has recorded the balance of $4,118 (1/3 of the value of the assets) as the Government's equity in SOAFA relating to the Agency's operations.

The Agency's contributed equity was increased by $166 as of April 1, 2003, with the transfer of the net assets of Radio Services to the Agency.

9. Commitments

(a) Pursuant to a Memorandum of Understanding dated May 31, 1996, the Agency entered into a lease agreement with The Government of Manitoba through Manitoba Government Services for the rental of the facilities at 626 Henry Avenue, Winnipeg, Manitoba. Occupancy charges for each fiscal year including 2005/06 are established annually based on the approved budget for the Department of Transportation and Government Services. Occupancy charges for 2005/06 are estimated at $461 for the year, to be paid in quarterly instalments during 2005/06.

(b) Occupancy charges for the Winnipeg premises for the Radio Services division of the Agency are established annually based on the approved budget for the Department of Transportation and Government Services. Occupancy charges for 2005/06 are estimated at $37 for the year, to be paid in quarterly instalments during 2005/06.

(c) The Agency's approved 2005/06 Business Plan calls for $1,500 in revenue sharing to be paid in quarterly instalments to the Consolidated Fund during 2005/06.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements

(In Thousands)
March 31, 2005

10. Requirements of The Public Sector Compensation Disclosure Act

Pursuant to Section 2(1) of the Act, the following employees of Fleet Vehicles Agency received compensation, directly or indirectly, of $50 or more in the fiscal year ended March 31

Name	Position	2005	2004
Kathryn Bernhardt	Manager, Support Services	$ 59	$ 54
Derek Boutang	Systems Analyst	61	59
Donald Chesney	Manager, Fleet	66	66
Dennis Ducharme	Chief Operating Officer	86	83
Richard Heck	Systems Analyst	52	
Jordan Janisse	Systems Supervisor	71	66
Kevin Kilbrei	Manager, Marketing	55	52
David Kroeker	Programmer Analyst	61	55
Vladimair Lachowsky	Radio Services Technician		53
Albert Ogonoski	Manager, Finance	64	62
Franklin Recknell	Radio Services Technician		62
William Reynolds	Senior Manager, Strategic Planning	63	62
Guy Sinclair	Manager, Operations	69	66
Sean Stephen	Radio Services Supervisor	55	64

Fleet Vehicles Agency
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Schedule of Other Revenue and Expenses - Vehicles and Equipment

(In Thousands)

Year Ended March 31	2005	2004
Other revenue		
Service	$ 981	$ 837
Rebates	813	768
Autopac service revenue	394	293
	$ 2,188	$ 1,898
Vehicle and equipment operating expenses		
Amortization	$ 8,614	$ 8,354
Fuel	7,248	6,218
Insurance premiums	3,216	3,010
Repairs and maintenance	3,860	3,709
	$ 22,938	$ 21,291
Administrative expenses		
Amortization	$ 142	$ 149
Fleet management information system	161	155
Human resource overhead	435	436
Occupancy costs	441	426
Other costs	84	85
Professional fees	147	20
SOAFA charges	3	2
Supplies and materials	48	60
Telephone and communication	28	27
	$ 1,489	$ 1,360

Fleet Vehicles Agency
An Agency of the Special Operating Agencies Financing Authority Province of Manitoba
Schedule of Revenue and Expenses - Radio Services

(In Thousands)

Year Ended March 31	2005	2004
Revenue	$ 1,692	$ 1,757
Operating expenses		
Parts and repairs	842	783
Salaries	352	484
Licenses	138	
	1,332	1,267
	360	490
Administrative expenses		
Amortization	58	18
Fleet management information system	23	24
Human resource overhead	78	61
Occupancy costs	49	43
Other costs	2	1
Professional fees	9	
Supplies and materials	7	21
Telephone and communication	14	18
Transportation	68	73
	308	259
Radio Services, net	$ 52	$ 231

Note to schedule: The revenue for the year ended March 31, 2004 includes $139 in billings for licenses and access fees which have no matching cost. The cost portion of the licenses and access fees was recorded on a cash basis in 2002/03 in the records of Desktop, Telecommunication and Network Services.

MATERIALS DISTRIBUTION AGENCY

Financial Statements

For The Year Ended March 31, 2005

(In Thousands)

Materials Distribution Agency
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with Canadian generally accepted accounting principles. The financial statements have been audited by The Exchange Chartered Accountants LLP, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board has scheduled meetings with management to review accounting practices, financial reporting and to discuss the audit result. The auditors have free and full access to this Board, to discuss the results of the audit and their views on the adequacy of internal controls and the quality of financial reporting.

Susan Boulter
A/Chief Operating Officer

Joel Hershfield
Manager of Finance and Technology

THE EXCHANGE
chartered accountants LLP

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Materials Distribution Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2005 and the statements of income and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and the results of its operations and changes in cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
June 9, 2005

100-123 Bannatyne Ave., Winnipeg, Manitoba R3B 0R3
Telephone (204) 943-4584 Fax (204) 957-5195
E-mail info@exg.ca Website www.exg.ca

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2005

	2005	2004 (Restated)
ASSETS		
CURRENT		
Cash and short term investments (note 7)	$ 806	$ 1,054
Accounts receivable	3,894	3,708
Inventories (notes 2 and 3)	1,838	2,015
Prepaid expenses	82	63
	6,620	6,840
RECEIVABLE – PROVINCE OF MANITOBA (notes 4 and 8)	288	288
EQUIPMENT (notes 2 and 5)	1,184	1,081
OTHER ASSETS (notes 2 and 6)	520	650
	$ 8,612	$ 8,859
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 3,590	$ 3,509
SEVERANCE LIABILITY (note 8)	246	234
	3,836	3,743
EQUITY		
CONTRIBUTED SURPLUS (note 9)	1,246	1,246
RETAINED EARNINGS	3,530	3,870
	4,776	5,116
	$ 8,612	$ 8,859

Commitments (note 10)

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2005

	2005	2004 (Restated)
NET WAREHOUSE SALES, note 2, schedule 1	$14,038	$14,615
COST OF GOODS SOLD	11,540	11,883
GROSS PROFIT	2,498	2,732
SERVICE REVENUE, note 2, schedule 1	3,882	3,778
SOFTWARE REVENUE	2,774	2,389
NET REVENUE	9,154	8,899
EXPENSES		
Salaries and benefits, note 13	2,997	2,852
Occupancy costs	631	685
Software Purchases	2,764	2,160
Administrative expenses, schedule 2	2,702	2,893
	9,094	8,590
NET INCOME	60	309
RETAINED EARNINGS, beginning of year, as previously stated	3,963	-
PRIOR PERIOD ADJUSTMENT, note 17	(93)	-
RETAINED EARNINGS, beginning of year, as restated	3,870	3,961
REVENUE SHARING – Province of Manitoba	(400)	(400)
RETAINED EARNINGS, end of year	$ 3,530	$ 3,870

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

STATEMENT OF CASH FLOW
(In Thousands)
YEAR ENDED MARCH 31, 2005

Increase (decrease) in cash and cash equivalents

	2005	2004 (Restated)
Operating		
Net income (loss)	$ 60	$ 309
Amortization	822	732
	882	1,041
Change in		
Accounts receivable	(186)	(522)
Inventories	177	(406)
Prepaid expenses	(19)	19
Accounts payable and accrued liabilities	81	1,102
Severance liability	12	(12)
	947	1,222
Investing		
Acquisition of rental equipment	(692)	(615)
Acquisition of equipment	(36)	(196)
Acquisition of other assets	(67)	(412)
	(795)	(1,223)
Financing		
Revenue sharing to the Consolidated Fund	(400)	(400)
Decrease in cash and short term investments	(248)	(401)
Cash and short-term investments, beginning of year	1,054	1,455
Cash and short-term investments, end of year	$ 806	$ 1,054

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2005

---

1. NATURE OF ORGANIZATION

The Government of Manitoba established a central warehouse operation in 1974. Its mandate was to effectively meet the cost needs of departments and certain boards, commissions and agencies of the Crown, for a variety of commonly used items.

Effective April 1, 1993, Materials Distribution Agency (the "Agency") was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from the Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Transportation and Government Services assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of the Financing Authority.

The Agency continues to be part of Manitoba Transportation and Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and Minister.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba and the Manitoba Regional Health Authorities deriving most of its revenue and all of its capital financing requirements from the Province. These transactions are recorded at the exchange amount, which is the amount agreed upon by both parties.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Inventories

Inventories are valued at the lower of cost and net realizable value.

Equipment

Equipment is recorded at cost and is amortized annually at the following rates and bases:

Computer equipment	- 20%, straight-line basis
Fixtures	- 20%, straight-line basis
Office equipment	- 20%, diminishing balance basis
Warehouse equipment	- 20%, diminishing balance basis
Leasehold improvements	- over 5 years, straight-line basis

Non-consumable equipment relating to the Home Care Equipment and Supplies Program is amortized at varying rates in order to reflect the varying periods of useable "life".

Rental equipment	- over 2, 3 or 5 years, straight-line basis

Other Assets

Other assets are recorded at cost and are amortized at the following rates on a straight-line basis:

Computer conversion	- over 5 years
Relocation expenses	- over 10 years

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue Recognition

Warehouse sales are normally recognized when the products are shipped, service revenues are recognized on the provision of services, and software revenue is recognized when products are shipped and when collection is reasonably assured.

3. INVENTORIES

	2005	2004
Medical supplies	$ 1,249	$ 1,185
Equipment	29	165
Golden Boy	20	27
Stationery	401	470
Janitorial	125	115
New furniture	14	53
	$ 1,838	$ 2,015

4. RECEIVABLE – PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation entitlement earned by the employees of the Agency prior to its designation as a Special Operating Agency. It also includes severance pay benefits earned by the employees to March 31, 1998.

The receivable, or portion thereof, for the Agency will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

5. EQUIPMENT

	Cost	Accumulated Amortization	2005 Net	2004 Net
Computer equipment	$ 144	$ 109	$ 35	$ 39
Fixtures	107	107	0	3
Office equipment	60	60	0	0
Warehouse equipment	392	227	165	186
Leasehold improvements	401	375	26	78
Rental equipment	3,275	2,317	958	775
	$ 4,379	$ 3,195	$ 1,184	$ 1,081

6. OTHER ASSETS

	Cost	Accumulated Amortization	2005 Net	2004 Net
Computer conversion	$ 1,355	$ 1,028	$ 327	$ 433
Relocation expense	241	48	193	217
	$ 1,596	$ 1,076	$ 520	$ 650

7. WORKING CAPITAL PAYABLE

The Agency has an authorized line of working capital advances of $800 of which none was used at March 31, 2005 or 2004.

8. SEVERANCE LIABILITY

Effective April 1, 1998 the Agency commenced recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Agency. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. That responsibility is reflected by a $288 receivable from the Province.

An actuarial report was completed February 2001 calculating the severance pay liability balance as at March 31, 2000. This actuarial report provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $246 as at March 31, 2005 (2004 - $234).

9. CONTRIBUTED SURPLUS

Loan Authority – April 1, 1993

The SOAFA and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of inventory and capital assets valued at $1,464 required for the continuing operations of the Agency as at March 31, 1993. The Agency repaid the debt portion of $732 (being ½ of the value of the assets) and recorded the balance, $732, as Manitoba's equity in the Financing Authority as related to the Agency operations.

Loan Authority – April 1, 1997

SOAFA and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority for the net assets of the Home Care Equipment and Supply Program valued at $1,027 as at April 1, 1997. The Agency repaid the debt portion of $513 (being ½ of the value of the assets) and recorded the balance, $514, as Manitoba's equity in the Financing Authority as related to the Agency operations.

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2005

---

10. COMMITMENTS

Leased Premises

On March 24, 2003, the Agency took partial possession of a rental property consisting of 76,067 square feet at 1715 St. James Street, Winnipeg, Manitoba. The lease is for a term of 10 years with an additional 5 year option commencing May 1, 2003. Occupancy charges are an annual $453 payable in monthly instalments.

Revenue Sharing

The Agency's approved 2005/06 Business Plan calls for $400 in revenue sharing to be paid in quarterly instalments to the Consolidated Fund during 2005/06.

11. PENSION BENEFITS

Employees of the Agency are eligible for pension benefits in accordance with the provision of the Civil Service Superannuation Act, administered by the Civil Service Superannuation (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba the Agency transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Agency is required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was $118 (2004 - $ 106).

12. INTEREST RECEIVED

The Agency received interest during the year of $14 (2004 - $27).

13. PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2005, the following employees received compensation in excess of $50.

Name	Position	2005	2004
Ailyn Almendral	IT- Systems Administrator	$ 57	$ 53
Susan Boulter	A/Chief Operating Officer	84	78
Joel Hershfield	Manager of Finance and Technology	65	62
Ted Norrington	Financial Analyst	54	53
Kathy Demchuk	Marketing Manager	59	56

14. FINANCIAL INSTRUMENTS

The Agency's financial instruments consist of cash and short term investments, accounts receivable, receivable from the Province of Manitoba, accounts payable and accrued liabilities and severance liability. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

15. SUBSEQUENT EVENTS

The Province of Manitoba approved the amalgamation of the operations of Materials Distribution Agency and Mail Management Agency effective April 1, 2005. The amalgamated operations will operate as Materials Distribution Agency.

Effective April 2005, the Winnipeg Regional Health Authority (WRHA) commenced purchasing and distributing Home Care products from their own premises and has informed the Agency of their intention to do the same for Ostomy products effective September 2005. This will result in an estimated loss of $3,500 in sales in the 2005-06 fiscal year and $4,500 in sales in the 2006-07 fiscal year.

16. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to this year's presentation.

17. PRIOR PERIOD ADJUSTMENT

During the year, it was discovered that there were sales recorded in the prior year without any cost of goods sold relating to those sales. The correction was accounted for retroactively with a restatement of the prior period. This correction reduced net income and retained earnings by $93 and increased the accounts payable and accrued liabilities by $93.

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

SCHEDULE OF WAREHOUSE SALES & SERVICE REVENUE
(In Thousands)
MARCH 31, 2005

	2005	2004
Warehouse Sales		
Medical supplies	$ 8,836	$ 9,275
Stationery	2,788	2,863
Health Equipment	516	-
Janitorial	1,019	1,052
Furniture	870	1,360
Special Projects	9	65
	$ 14,038	$ 14,615

	2005	2004
Service Revenue		
Manitoba Textbook Bureau	$ 278	$ 272
Home Care equipment rentals	1,819	1,685
Office equipment – copy centres	624	691
Office equipment – maintenance program	74	97
Disposal	14	10
Freight	564	507
Moving	275	359
Storage	67	48
Special Projects	91	35
Other Income	76	74
	$ 3,882	$ 3,778

Schedule 2

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

SCHEDULE OF ADMINISTRATIVE EXPENSES
(In Thousands)
MARCH 31, 2005

	2005	2004
ADMINISTRATIVE EXPENSES		
SOAFA fees	$ 2	$ 2
Professional services	14	13
Amortization	822	732
Computer	220	254
Office	72	92
Promotion and marketing	43	48
Telephone	51	50
Training	14	14
Freight	743	697
Moving	143	195
Warehouse Supplies	71	108
Copy Centre	408	455
Equipment Rentals	59	62
Special Projects	0	31
Vehicles	36	33
Miscellaneous	4	107
	$ 2,702	$ 2,893

ORGANIZATION & STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Financial Statements

For the year ended March 31, 2005

ORGANIZATION & STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Financial Statements

For the year ended March 31, 2005

Contents

Management's Responsibility for Financial Reporting 2

Auditors' Report 3

Financial Statements

- Balance Sheet 4
- Statement of Operations and Retained Earnings 5
- Statement of Cash Flows 6
- Notes to Financial Statements 7

Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of the management of **ORGANIZATION & STAFF DEVELOPMENT** (OSD) and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available to May 26, 2005.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The responsibility of the Auditor General is to express an independent opinion on whether the financial statements of OSD are fairly represented in accordance with Canadian generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

ORGANIZATION & STAFF DEVELOPMENT

Dickson

Edna Dickson, Director
May 26, 2005

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To Organization and Staff Development
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Organization and Staff Development, an Agency of The Special Operating Agencies Financing Authority, as at March 31, 2005 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and results of its operations and changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 26, 2005

ORGANIZATION & STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Balance Sheet

March 31	2005	2004
	(000's)	
Assets		
Current Assets		
Cash and bank (Note 3)	$ 288	$ 134
Short-term investments	377	287
Accounts receivable	79	60
Inventories	5	11
Prepaid expenses	2	-
	751	492
Receivable from Province of Manitoba (Note 4)	39	39
Capital assets (Note 5)	8	11
	$ 798	$ 542
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities (Note 9)	$ 369	$ 202
Severance liability (Note 4)	68	62
	437	264
Equity		
Retained earnings	361	278
	$ 798	$ 542

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Statement of Operations and Retained Earnings

For the year ended March 31

(000's)

	2005 Actual	2004 Actual	Variance	Budget	Variance
Revenue					
Training and consulting	$ 1,474	$ 1,118	$ 356	$ 1,190	$ 284
Interest	8	8	-	7	1
	1,482	1,126	356	1,197	285
Expenses					
Professional fees	543	419	124	360	183
Salaries and benefits	471	440	31	550	(79)
Books and course materials	95	59	36	38	57
Accommodations	79	52	27	48	31
Food and beverages	67	50	17	49	18
Desk top management	28	32	(4)	38	(10)
Communications	26	13	13	17	9
Transportation	21	18	3	24	(3)
Occupancy costs	16	16	-	17	(1)
Office supplies	15	17	(2)	8	7
Professional development	12	8	4	8	4
Marketing	10	25	(15)	18	(8)
Rentals	8	7	1	15	(7)
Other	5	6	(1)	3	2
Amortization	3	3	-	2	1
Bad debt	-	29	(29)	-	-
	1,399	1,194	205	1,195	204
Net income (loss) for the year	83	(68)	151	2	81
Retained earnings beginning of year, as previously reported	306	373			
Correction of prior period (Note 9)	(28)	(27)			
Retained earnings beginning of year, as restated	278	346			
Retained earnings, end of year	$ 361	$ 278			

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Statement of Cash Flows

For the year ended March 31	2005	2004
	(000's)	
Cash Flows from Operating Activities		
Net income (loss) for the year	$ 83	$ (68)
Adjustments for		
Amortization of capital assets	3	3
	86	(65)
Net change in non-cash working capital balances	158	50
	244	(15)
Cash Flows from Investing Activities		
Purchase of capital assets	-	(5)
Increase (decrease) in cash and cash equivalents during the year	244	(20)
Cash and cash equivalents, beginning of year	421	441
Cash and cash equivalents, end of year	$ 665	$ 421
Represented by		
Cash and bank	$ 288	$ 134
Short-term investments	377	287
	$ 665	$ 421

The accompanying notes are an integral part of these financial statements.

1. Nature of Organization

Effective April 1, 1994, Organization and Staff Development (OSD) of the Civil Service Commission was designated by regulation as a Special Operating Agency under The Special Operating Agencies Financing Authority Act and operates under a charter approved by the Lieutenant Governor in Council. Its mandate is to provide consulting and training services to support the implementation of the government's human resource policies and priorities.

The Agency is financed through the Special Operating Agencies Financing Authority. The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister responsible for the Civil Service Commission assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

OSD continues to be part of the Civil Service Commission under the general direction of the Commissioner and ultimately the policy direction of the Minister responsible for The Civil Service Act.

OSD remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

OSD is economically dependant on the Province of Manitoba. Currently, the Agency derives most of its revenue from the Province of Manitoba and all of its capital financing requirements through the Financing Authority.

2. Significant Accounting Policies

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Revenue Recognition

Training and consulting revenue is recorded on an accrual basis by specific project.

Use of Estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Financial Instruments

The Agency's financial instruments consist of cash, accounts receivable, investments and accounts payable. It is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Capital Assets

Rates of amortization applied to write off the cost of capital assets over their estimated life are as follows:

Machinery and equipment	20% declining balance
Furniture and fixtures	20% declining balance
Computer equipment	20% straight line

In the year of acquisition, amortization is calculated at one half of the rate indicated above.

ORGANIZATION & STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Notes to Financial Statements

March 31, 2005 **(000's)**

3. Working Capital

The Agency has an authorized line of working capital advances of $120 which was unused and available at March 31, 2005.

4. Severance Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province of Manitoba.

The Province of Manitoba has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $33 was completely offset by a receivable from the Province of Manitoba. The receivable from the Province of Manitoba, or portion thereof, for Organization and Staff Development, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

An actuarial valuation report of the Agency's severance liability as at March 31, 2000 was completed in 2001. The liability as at March 31, 2000 was restated to $42 and the receivable from the Province of Manitoba was restated to $39. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $68 as at March 31, 2005.

5. Capital Assets

	2005			2004		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Machinery and equipment	$ 5	$ 2	$ 3	$ 5	$ -	$ 5
Furniture & fixtures	10	8	2	10	8	2
Computers	12	9	3	12	8	4
	$ 27	$ 19	$ 8	$ 27	$ 16	$ 11

6. Public Sector Compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2005, the following employees received compensation of $50,000 or more.

	2005	2004
K. Meekler	**$ 58**	$ 56
J. Desrochers	**66**	58
E. Dickson	**70**	59
S. Swan	**52**	-

7. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The Agency enters into transactions with these entities in the normal course of business.

8. Pension Benefits

Employees of OSD are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was $20 (2004 - $18).

9. Restatement of Prior Periods

In 2004 and prior years, accrued liabilities did not include all vacation earned by employees as at March 31 for use in the following year. This change to include all vacation earned to March 31 has been reflected in the current and prior year.

As a result, beginning retained earnings for 2004 has decreased by $27, salaries and benefits expense in 2004 has increased by $1, and accounts payable and accrued liabilities have increased by $28 as at March 31, 2004.

VITAL STATISTICS AGENCY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2005

Vital Statistics Agency

MANAGEMENT REPORT

To the Special Operating Agencies Financing Authority

The accompanying financial statements are the responsibility of the management of the Vital Statistics Agency and have been prepared in accordance with generally accepted accounting principles. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating Management's best judgement regarding all necessary estimates and all other data available up to May 20, 2005.

Management maintains internal controls to properly safeguard the Vital Statistics Agency's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and established policies and procedures are followed.

The Auditor's responsibility is to express an independent opinion on whether the financial statements of the Vital Statistics Agency are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides an audit opinion.

On behalf of Management,

Caroline Kaus

Caroline E. Kaus
Chief Operating Officer

Rudy Gerling, CGA
Manager of Finance,
Administration and Marketing

Winnipeg, Manitoba
May 20, 2005

l Statistics Agency
Portage Avenue, Winnipeg, MB, R3C 0B6 Canada
phone: (204) 945-3701 Fax: (204) 948-3128
ail: vitalstats@gov.mb.ca
-Site: www.gov.mb.ca/cca/vital

Bureau de l'état civil
254 avenue Portage, Winnipeg (Manitoba) R3C 0B6 Canada
Téléphone: (204) 945-5500 Télécopieur: (204) 948-3128
courriel: vitalstats@gov.mb.ca
Site Internet: www.gov.mb.ca/cca/vital

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

CONTENTS
AS AT MARCH 31, 2005

Page

Auditors' Report 1

Financial Statements

Balance Sheet 2

Statement of Earnings 3

Statement of Retained Earnings 4

Statement of Cash Flows 5

Notes to Financial Statements 6 - 9

Schedule of Operating Expenses (Schedule 1) 10

Schedule of Public Sector Compensation Disclosure (Schedule 2) 11

BULAT & POUSTIE
CHARTERED ACCOUNTANTS

1700 Ness Avenue
Winnipeg, Manitoba R3J 3Y1
Telephone: (204) 831-1700
Fax: (204) 831-7812

AUDITORS' REPORT

TO THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

We have audited the balance sheet of **Vital Statistics Agency**, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at **March 31, 2005** and the statements of earnings, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for the year ended March 31, 2004 were audited and reported on by another firm of chartered accountants.

BULAT & POUSTIE

Bulat. Poustie

Winnipeg, Manitoba
May 20, 2005

CHARTERED ACCOUNTANTS

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
AS AT MARCH 31, 2005

		2005		2004
ASSETS				
CURRENT				
Cash and short term deposits	$	443	$	361
Accounts receivable, note 4		50		42
Inventory, note 2		39		31
Prepaid expenses		17		14
		549		448
RECEIVABLE FROM PROVINCE OF MANITOBA, notes 5 and 8		94		94
CAPITAL ASSETS, notes 2 and 6		840		883
	$	1,483	$	1,425
LIABILITIES				
CURRENT				
Accounts payable	$	108	$	114
Unearned revenue, note 2		97		100
Accrued unused vacation entitlements		133		135
		338		349
SEVERANCE PAY LIABILITY, note 8		184		164
		522		513
EQUITY				
RETAINED EARNINGS		961		912
	$	1,483	$	1,425

The accompanying notes are an integral part of the financial statements

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

		2005		2004
REVENUE				
Net sales	$	**2,762**	$	2,749
Proceeds from government departments		**112**		121
Interest		**5**		2
		2,879		2,872
EXPENSES				
Salaries and employee benefits		**1,570**		1,529
Operating expenses, Schedule 1		**908**		856
Amortization		**227**		207
		2,705		2,592
NET EARNINGS FOR THE YEAR	$	**174**	$	280

The accompanying notes are an integral part of the financial statements

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

		2005		2004
RETAINED EARNINGS, BEGINNING OF YEAR	$	912	$	632
Net earnings for the year		174		280
		1,086		912
Revenue sharing payment to Province of Manitoba		125		-
RETAINED EARNINGS, END OF YEAR	$	961	$	912

The accompanying notes are an integral part of the financial statements

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOWS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings for the year	$ 174	$ 280
Adjustments for		
Amortization	227	207
Severance pay expenses	20	20
	421	507
Changes in the following:		
Accounts receivable	(8)	28
Inventory	(8)	17
Prepaid expenses	(3)	2
Accounts payable	(6)	(29)
Unearned revenue	(3)	(31)
Accrued unused vacation entitlements	(2)	(2)
	391	492
CASH FLOWS FROM FINANCING ACTIVITIES		
Revenue sharing payment to Province of Manitoba	(125)	-
Severance pay payments	-	(25)
	(125)	(25)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(184)	(362)
INCREASE IN CASH	82	105
CASH, BEGINNING OF YEAR	361	256
CASH, END OF YEAR	$ 443	$ 361

The accompanying notes are an integral part of the financial statements

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2005

1. ENTITY DEFINITION

Effective April 1, 1994, the Lieutenant Governor in Council designated the Vital Statistics Agency (the "Agency") as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council 232/1994. The Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency, to enter into a Management Agreement with respect to the Agency.

A Management Agreement between the Financing Authority and the Minister of Consumer and Corporate Affairs assigns responsibility to manage the assets transferred to the Agency in delivering regulated services to clients through administration of three major Acts; The Vital Statistics Act, The Change of Name Act, and The Marriage Act. The Agency also handles disinterments under the Public Health Act. The ownership of the vital events records is excluded from this agreement, as their ownership is considered Crown property and should not be alienated from Government protection in the the public interest.

The Agency is part of Manitoba Consumer and Corporate Affairs Division in the Department of Finance under the general direction of the Minister, Finance, the Deputy Minister and Assistant Deputy Minister who is also Chairperson of Vital Statistics Advisory Board.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are in accordance with Canadian generally accepted accounting principles and reflect the following policies:

Inventory

Inventory of certificates and pre-printed forms are valued at cost. Cost is generally determined on a first-in, first-out method.

Capital Assets

Capital assets are recorded at cost. Amortization is provided for as follows:

	Rate	Method
Data conversion	20 %	Declining balance
Furniture and fixtures	20 %	Straight line
Information system	20 %	Declining balance
Leasehold improvements	20 %	Straight line
Office equipment	20 %	Straight line
Security equipment	20 %	Straight line

Unearned revenue and revenue recognition

The Agency receives cash payments at the time various certificates are ordered and the cash payments are reflected as unearned revenue. Revenue is recognized at the time the service is completed and the certificate is issued.

Significant Accounting Policies - continued

Measurement uncertainty

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known. Actual amounts could differ from these estimates.

Financial instruments

Financial instruments of the company consist mainly of cash and short term deposits, accounts receivable, accounts payable and accrued liabilities. The carrying value of these financial assets and financial liabilities approximate their fair values unless otherwise disclosed.

3. WAIVER OF FEES

The Agency charges no fee for services in exchange for services from the following organizations:

(a) The Manitoba Development Centre, health care facilities, the Chief Medical Examiner's Office (Manitoba Justice), the Manitoba Funeral Association and the Department of Anatomy of the University of Manitoba as they provide services in accordance with The Vital Statistics Act.
(b) Child and Family Services Regional Operations of Manitoba Family Services to act as issuers of Marriage Licences and handling related administered duties.
(c) Vital Statistics Offices in other jurisdictions through agreements to exchange information between jurisdictions as it relates to one another's residency or birthplace.

Services provided under the above agreements are valued at $5 for the year ended March 31, 2005 (2004 - $5).

The Vital Statistics Agency provides the following services without compensation to the Federal Government:

(a) Statistics Canada for national tabulation and statistical information. Statistics Canada provides payment for the microdata and microfilm records from the Vital Statistics Agency and provides half of the cost of printing registration forms.
(b) Health and Welfare Canada (Indian and Northern Affairs).

Services provided under the above agreements are valued at $nil for the year ended March 31, 2005 (2004 - $nil).

The Agency provides services without compensation to victims of crimes as follows:

In March of 1998, the Ministers of Justice, Consumer and Corporate Affairs, and Highways and Transportation agreed that the fees for replacement documents should be waived. Representatives of Vital Statistics and the Division of Driver and Vehicle Licensing met to coordinate the process so the public would receive the same program from both agencies.

Waiver of fees - continued

Effective January 1, 1999, members of the public who have had their birth certificate stolen during a criminal act can request replacement certificates and have the fee waived. This does not apply to members of the public who have lost their identification or individuals who are non-residents of Manitoba. Clients are asked to indicate that they are requesting a waiver of fees as a result of a criminal act and to provide police incident number.

Service provided under the above arrangement are valued at $22 for the year ended March 31, 2005 (2004 - $19).

4. ACCOUNTS RECEIVABLE

	2005	2004
Trade	$ 54	$ 45
Interest	1	1
	55	46
Allowance for doubtful accounts	5	4
	$ 50	$ 42

5. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for severance pay benefits prior to April 1, 1998. The timing and the collection of this receivable will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

6. CAPITAL ASSETS

	2005		2004	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Data conversion	$ 994	$ 645	$ 914	$ 558
Furniture and fixtures	107	99	107	84
Information system	1,120	681	1,015	585
Leasehold improvements	84	74	84	65
Office equipment	158	125	158	105
Security equipment	42	41	42	40
	2,505	1,665	2,320	1,437
Net Book Value	$ 840		$ 883	

7. PENSION BENEFITS

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees.

Subsequent to March 31, 2001, the Agency is required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was $65 (2004 - $65).

8. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998, calculated at $126, was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance pay liability as at March 31, 2000 was completed in prior years. The receivable from the Province was restated to $94 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $184 as at March 31, 2005

9. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental of facilities at 254 Portage Avenue. Occupancy charges for the year ending March 31, 2006 are estimated to be $184 (2005 - $164).

10. FINANCING ARRANGEMENTS

Working capital advances and long term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority has approved a $250 limit for working capital advances for the Agency. The Agency has not accessed working capital advances in the current year.

11. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to classifications used in the current year.

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

Schedule 1

SCHEDULE OF OPERATING EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004 note 11
Accommodation	$ 164	$ 158
Advertising	19	17
Bad debts	5	3
Central government charges	65	74
Computer information system	251	256
Office equipment support	26	26
Office supplies	26	23
Other operating expenses	43	36
Printed material supplies	91	53
Professional fees	28	23
Supplies for mechanized systems	16	5
Telecommunications	26	30
Training	6	8
Transportation and freight	142	144
	$ 908	$ 856

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

Schedule 2

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2005	COMPENSATION 2004
Caroline Kaus	Chief Operating Officer	**$ 84**	$ 81
Rudy Gerling	Manager of Finance, Administration and Marketing	**64**	62
Janet Usher	Assistant Director	**58**	54

CIVIL LEGAL SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2005

Manitoba

Justice

Civil Legal Services
SOA

Room 730
Woodsworth Building
405 Broadway
Winnipeg, Manitoba CANADA
R3C 3L6

PH: (204) 945-2846
FAX: (204) 948-2041
File No.
In reply please refer to:
Tom Hague
Chief Operating Officer

Civil Legal Services
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for the financial statements and other financial information in the annual report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and the results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by Magnus & Buffie, Chartered Accountants, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that the transactions are authorized, properly recorded and reported and that the assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, and to discuss the results of their audit and their views on the adequacy of internal controls and the quality of the financial reporting.

Tom Hague
Chief Operating Officer

May 12, 2005

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

CONTENTS
MARCH 31, 2005

	Page
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Earnings and Retained Earnings	3
Statement of Cash Flow	4
Notes to Financial Statements	5 - 7
Schedule of Public Sector Compensation Disclosure	8

MAGNUS & BUFFIE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Civil Legal Services, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2005 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 12, 2005

CHARTERED ACCOUNTANTS

BALANCE SHEET
(in thousands)
MARCH 31, 2005

	2005	2004
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 814	$ 810
Accounts receivable	450	390
	1,264	1,200
RECEIVABLE FROM PROVINCE OF MANITOBA (Note 4)	379	379
CAPITAL ASSETS (Note 5)	46	85
TRUST ASSET	8	8
	$ 1,697	$ 1,672
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 165	$ 128
Vacation payable	360	408
	525	536
SEVERANCE LIABILITY (Note 6)	457	414
TRUST LIABILITY	8	8
	990	958
EQUITY		
RETAINED EARNINGS	707	714
	$ 1,697	$ 1,672

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS AND RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
REVENUE		
Recoveries	$ 5,011	$ 4,668
Interest and other	17	6
	5,028	4,674
EXPENSES		
Advertising and promotion	1	4
Amortization	48	52
Communications	35	38
Computer	32	37
Desktop management initiative	196	203
Equipment rental	6	4
Government records centre	18	16
Law Society fees	43	35
Law cases disbursement fund	-	22
Miscellaneous	8	7
Occupancy	216	173
Office	48	46
Postage and deliveries	10	8
Professional fees and services	38	42
Publications	29	28
Travel	22	27
Wages and benefits	4,085	3,786
	4,835	4,528
NET EARNINGS FOR THE YEAR	193	146
RETAINED EARNINGS, beginning of year	714	768
	907	914
REVENUE SHARING - PROVINCE OF MANITOBA	200	200
RETAINED EARNINGS, end of year	$ 707	$ 714

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net earnings for the year	$ 193	$ 146
Adjustment for		
Amortization	48	52
	241	198
Changes in the following		
Accounts receivable	(60)	(66)
Accounts payable and accrued liabilities	37	28
Vacation payable	(48)	46
	170	206
FINANCING ACTIVITIES		
Change in severance liability	43	29
Revenue sharing - Province of Manitoba	(200)	(200)
	(157)	(171)
INVESTING ACTIVITY		
Capital asset additions	(9)	(9)
CHANGE IN CASH AND SHORT TERM DEPOSITS	4	26
CASH AND SHORT TERM DEPOSITS, beginning of year	810	784
CASH AND SHORT TERM DEPOSITS, end of year	$ 814	$ 810

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2005

1. NATURE OF ORGANIZATION

The role of Civil Legal Services (the "Agency") flows from the constitutional and statutory responsibilities of the Minister of Justice as the Chief Legal Advisor to government and the guardian of the public interest. Acting pursuant to government policy, the Agency is responsible for providing a full range of high quality legal services, on a cost recovery basis, to its clients, namely the Province of Manitoba, the province's agencies, boards and commissions and some Crown organizations.

Effective April 1, 1995, the Agency was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating status, assists the Agency to sustain the provision of high quality legal services to its clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

The Agency continues to be part of Manitoba Justice under the general direction of the Deputy Minister and Minister.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba because it derives most of its revenue from the Province and all of its financing requirements through the Financing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are summarized as follows:

Capital Assets: Capital assets are recorded at cost and are amortized over their estimated useful lives as follows:

Computer Equipment and Software	20% straight line (10% in year of acquisition)
Furniture and Fixtures	20% straight line (10% in year of acquisition)
Leasehold Improvements	20% straight line (10% in year of acquisition)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The percentage of completion method of accounting is used, whereby revenue is recognized proportionately with the degree of completion of the legal services provided.

Financial instruments

It is management's opinion that the carrying value of the Agency's financial instruments approximates their fair value, except for the receivable from the Province of Manitoba which cannot be reasonably estimated due to the nature of the underlying terms of collection. In addition, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. FINANCING ARRANGEMENTS

The Special Operating Agencies Financing Authority has provided the Agency with an authorized line of working capital of $500 of which $nil was used at March 31, 2005.

4. RECEIVABLE FROM PROVINCE OF MANITOBA (Note 6)

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2005	2004
Vacation Entitlements	$ 140	$ 140
Severance Pay Benefits	239	239
	$ 379	$ 379

The timing of the collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2005	Net Book Value 2004
Computer Equipment and Software	$ 78	$ 51	$ 27	$ 37
Furniture and Fixtures	187	170	17	43
Leasehold improvements	53	51	2	5
	$ 318	$ 272	$ 46	$ 85

6. SEVERANCE LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability as at April 1, 1998 calculated at $248 was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in prior years. The receivable from the Province was estimated at $239 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $457 as at March 31, 2005.

7. PENSION BENEFITS

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was $199 (2004 - $181).

8. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2006 are estimated to be $180.

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION	
		2005	2004
I. Allen	Legal Counsel	$ 104	$ 95
E. Andres	Legal Counsel	100	93
J. Barak	Legal Counsel	85	83
A. Berg	Legal Counsel	111	104
T. Bjornson	Legal Counsel	87	75
S. Boyd	Legal Counsel	54	-
T. Brothers	Legal Counsel	-	52
M. Ducharme	Financial Officer	52	-
J. Frederickson	Legal Counsel	75	-
I. Frost	Legal Counsel	106	99
D. Gisser	Legal Counsel	106	99
D. Guenette	Legal Counsel	-	77
T. Hague	Director	106	87
G. Hannon	Legal Counsel	109	99
S. Hoeppner	Legal Counsel	99	98
B. Jones	Legal Counsel	77	69
J. Kapac	Legal Counsel	93	63
A. Ladyka	Legal Counsel	75	67
D. Lofendale	Legal Counsel	102	95
J. Mann	Legal Counsel	-	63
W. McFetridge	Legal Counsel	111	104
M. McGunigal	Legal Counsel	88	-
G. Mildren	Legal Counsel	111	104
K. Nicholson	Administration Officer	50	-
S. Pierce	Legal Counsel	106	99
K. Ranson	Legal Counsel	75	66
C. Romeo	Legal Counsel	111	98
K. Scott	Legal Counsel	90	73
V. Smith	Legal Counsel	53	-
A. Stevens	Legal Counsel	75	-
N. Trenholm	Legal Counsel	105	98
M. Webb	Legal Counsel	106	99
I. Wiebe	Legal Counsel	77	66
R. Winters	Legal Counsel	106	99

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating
Agencies Financing Authority
Province of Manitoba

Financial Statements

For the year ended March 31, 2005

M·E·R·L·I·N

Manitoba • Education • Research • Learning • Information • Networks

The accompanying financial statements are the responsibility of the Management of Manitoba Education, Research and Learning Information Networks (MERLIN) and have been prepared in accordance with Canadian generally accepted accounting principles. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating Management's best judgement regarding all necessary estimates and all other data available up to May 17, 2005.

Management maintains internal controls to properly safeguard MERLIN's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The Auditors' responsibility is to express an independent opinion on whether the financial statements of MERLIN are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' report outlines the scope of the audit examination and provides an audit opinion.

On behalf of Management,

C.J. Ackland
Cathy Ackland
Chief Operating Officer (Acting)

David Olafson
Controller

Manitoba Education, Research and Learning Information Networks (MERLIN)

May 17, 2005

www.merlin.mb.ca

Room 137 – Education Building, University of Manitoba, Winnipeg, MB R3T 2N2
TOLL FREE: 1-800-430-6404 TEL: (204) 474-7800 FAX: (204) 474-7830

MERLIN is a special operating agency with the Department of Energy, Science and Technology.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

Financial Statements
For the year ended March 31, 2005

Contents

Auditors' Report 2

Financial Statements

Balance Sheet 3

Statement of Income and Deficit 4

Statement of Cash Flows 5

Summary of Significant Accounting Policies 6

Notes to Financial Statements 7

Supplementary Information to the Financial Statements

Schedule of Operating Results by Functional Area 11

Schedule of Public Sector Compensation Disclosure 12

BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors
www.bdo.ca

700 – 200 Graham Avenue
Winnipeg Manitoba Canada R3C 4L5
Telephone (204) 956-7200
Telefax (204) 926-7201

Auditors' Report

To the Special Operating Agencies Financing Authority:

We have audited the balance sheet of **MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS**, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2005 and the statements of income and deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 17, 2005

BDO Dunwoody LLP is a Limited Liability Partnership registered in Ontario

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Balance Sheet

(In Thousands)

March 31	2005	2004
Assets		
Current Assets		
Cash and funds on deposit	$ 401	$ 652
Accounts receivable	289	185
Prepaid expense	99	131
	789	968
Receivable from the Province of Manitoba (Note 2)	47	47
Capital assets (Note 3)	146	229
	$ 982	$ 1,244
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued expenses	$ 274	$ 208
Unearned revenue	75	71
Trust liabilities	-	1
	349	280
Cyberschools (Note 6)	917	1,227
Severance pay liability (Note 7)	73	66
	1,339	1,573
Commitments (Note 9)		
Deficit (Page 4)	(357)	(329)
	$ 982	$ 1,244

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Statement of Income and Deficit

(In Thousands)

For the year ended March 31	2005	2004
Revenue		
Province of Manitoba - Energy, Science and Technology Funding	$ 446	$ 445
Fee for service	1,912	1,862
Other	8	22
Cyberschools	310	535
	2,676	2,864
Expenses		
Advertising and promotion	16	23
Amortization	96	123
Audit and legal fees	24	30
Bad debts	7	-
Communications	251	180
Conferences	24	32
Cost of purchases for resale	933	906
Cyberschools salaries and benefits	140	87
Cyberschools other expenses	170	448
Equipment repair and maintenance	78	79
Occupancy Costs	55	54
Office and miscellaneous	21	21
Professional development	13	16
Purchased services	3	8
Salaries and benefits	838	819
Travel	35	33
	2,704	2,859
Net income (loss) for the year	(28)	5
Deficit, beginning of year	(329)	(334)
Deficit, end of year (Page 3)	$ (357)	$ (329)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Statement of Cash Flows

(In Thousands)

For the year ended March 31	2005	2004
Cash Flows from Operating Activities		
Net income (loss) for the year	$ (28)	$ 5
Adjustment for		
Amortization	96	123
	68	128
Changes in non-cash working capital		
Accounts receivable	(104)	113
Prepaid expenses	32	(82)
Accounts payable	66	(254)
Unearned revenue	4	(9)
Trust liability	(1)	(86)
	(3)	(318)
	65	(190)
Cash Flows from Investing Activities		
Capital assets	(13)	(9)
Cash Flows from Financing Activities		
Severance liability	7	8
Cyberschools	(310)	340
	(303)	348
Net increase (decrease) in cash and cash equivalents	(251)	149
Cash and cash equivalents, beginning of year	652	503
Cash and cash equivalents, end of year	$ 401	$ 652

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Summary of Significant Accounting Policies

March 31, 2005

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Capital Assets

Capital assets are recorded at cost and are amortized annually on a straight-line basis as follows:

Computer hardware	20%
Computer software	20%
Equipment and furniture	20%

In the period of acquisition, amortization is calculated at one-half the rate indicated.

Revenue Recognition

Provincial funding is recognized over the term for which it applies.

Fees for service are recognized as the service is performed or ownership of goods has been transferred. Internet charges are recognized once services has been provided, and billed at the end of each quarter. Special projects are billed based on the terms of the contract.

Revenues for the Cyberschools project have been received in advance and are taken into income as expenditures are incurred.

Financial Instruments

The Agency's financial instruments consist of cash and funds on deposit, accounts receivable, accounts payable and accrued expenses and severance pay liability. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Notes to Financial Statements

(in Thousands)

March 31, 2005

1. Nature of Organization

Effective April 1, 1995, Manitoba Education, Research and Learning Information Networks (MERLIN) was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council. Effective September 25, 2002, the Agency operates as part of Manitoba Energy, Science and Technology, under the general direction of the Deputy Minister.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

A Management Agreement between SOAFA and the Minister of Energy, Science and Technology assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba as it derives much of its revenue and all of its financing requirements from the Province.

2. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation entitlement earned by the employees of the Agency prior to creation of the Special Operating Agency on April 1, 1995 and for severance pay benefits earned prior to April 1, 1998. This receivable, or portion thereof, for the Agency, will be collected in the event there is a cash shortfall. However, this is only likely to happen on dissolution of the Agency. The balance consists of:

	2005	2004
Vacation entitlements	$ 19	$ 19
Severance pay benefits	28	28
	$ 47	$ 47

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in Thousands)

March 31, 2005

3. Capital Assets

	2005 Cost	2005 Accumulated Amortization	2004 Cost	2004 Accumulated Amortization
Computer hardware	$ 402	$ 286	$ 451	$ 271
Computer software	18	18	47	43
Equipment and furniture	96	66	159	114
	$ 516	$ 370	$ 657	$ 428
Cost less accumulated amortization		$ 146		$ 229

4. Working Capital Advances

These advances are provided to the Agency through the Special Operating Agencies Financing Authority pursuant to the Management Agreement. The Agency has an authorized line of working capital advances of $2.0 million.

During the year, the Agency incurred interest charges of $NIL (2004 - $NIL).

5. Accrued Vacation Entitlements

The Agency follows the policy of the Department of Finance to recognize accumulated vacation entitlement liability. The liability is offset by a receivable from the Province of $19, which was the balance as at March 31, 1998. Any subsequent changes to the entitlement are reflected as a current year expense to the Agency. At March 31, 2005, the accrued vacation entitlement was $97 (2004 - $92).

6. Cyberschools

The Agency has entered into an agreement with Community Connections to develop, implement and operate a province-wide communication gateway/portal to support K-S4 education and Community Connections lifelong learners. The service will include access to secure email, calendars, and file storage.

Receipts and disbursements are as follows:

	2005	2004
Deferred balance, beginning of year	$ 1,227	887
Receipts	-	875
Disbursements	(310)	(535)
Deferred balance, end of year	$ 917	$ 1,227

7. Severance Pay Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability at that time was based on an actuarial valuation report.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $28 was completely offset by a receivable from the Province.

In accordance with the formula provided in the most recent actuarial valuation report (March 31, 2000), the Agency's liability has been calculated to be $73 as at March 31, 2005 ($66 - March 31, 2004).

8. Revenue - Manitoba Education, Citizenship and Youth

The Agency is responsible for the delivery of distance education and technology programs formerly provided through the Manitoba Education, Citizenship and Youth. The Agency receives a fee from the Department, established annually and paid quarterly, in exchange for delivery of these services.

9. Commitments

The Agency leases office space under a long-term lease. The future minimum payments required under these leases over the next two fiscal years are:

2006	$	52
2007		26

10. Comparative Figures

Certain of the comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

11. Pension Benefits

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba the Agency transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current penion contributions. The amount paid for 2005 was $38 (2004 - $36).

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Schedule of Operating Results by Functional Area

(In Thousands)

For the year ended March 31		2005		2004
Revenue				
Provincial licensing and purchasing	$	**1,102**	$	1,051
Internet services		**426**		329
Information technology services		**315**		283
Provincial technology standards		**100**		205
Electronic conferencing		**183**		210
Web delivery services		**182**		182
Technical training services		**58**		69
Cyberschools		**310**		535
Total revenue		**2,676**		2,864
Expenses				
Provincial licensing and purchasing		**1,090**		1,032
Internet services		**527**		388
Information technology services		**290**		287
Provincial technology standards		**103**		216
Electronic conferencing		**181**		170
Web delivery services		**152**		172
Technical training services		**51**		59
Cyberschools		**310**		535
Total expenses		**2,704**		2,859
Net Income (Loss)				
Provincial licensing and purchasing		**12**		19
Internet services		**(101)**		(59)
Information technology services		**25**		(4)
Provincial technology standards		**(3)**		(11)
Electronic conferencing		**2**		40
Web delivery services		**30**		10
Technical training services		**7**		10
Cyberschools		**-**		-
Total net income (loss) for the year		**(28)**		5
Deficit, beginning of year		**(329)**		(334)
Deficit, end of year	$	**(357)**	$	(329)

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Schedule of Public Sector Compensation Disclosure

(In Thousands)

For the year ended March 31, 2005

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2005, the following employees received compensation of $50 or more:

Employee	Title	Compensation	
Ackland, Catherine	Acting Chief Operating Officer	$	59
Bater, Jared	Consultant, Unix Technologies		57
Baylis, Greg	Chief Operating Officer		86
Bender, Kiley	Senior Consultant		55
Greider, Warren	Consultant, Internet Technologies		67
Hiebert, John	Consultant, Networking Technologies		61
Jennings, Debra	Regional Representative		60
Lafond-D'Heilly, Colette	Communications and Marketing Manager		58
Wallin, Grant	Manager, Information and Communication Technologies		73

LAND MANAGEMENT SERVICES
FINANCIAL STATEMENTS
MARCH 31, 2005

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA
RESPONSIBILITY FOR FINANCIAL REPORTING

The Agency's management is responsible for preparing the financial statement and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with Canadian generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Magnus & Buffie, independent external auditors.

The Agency maintains a system of internal controls throughout its operations that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

An Advisory Board is available to meet, as required, with management to review accounting practices, financial reporting and to discuss audit results. During the year, management met twice with the Advisory Board. The auditors have free and full access to this Board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

Normand Le Neal

Rae P. Csversko
Chief Operating Officer

Norm Le Neal
Finance Officer

June 29, 2005

TREASURY BOARD
JUL 4 2005
SECRETARIAT

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2005

	Page
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Income and Retained Earnings	3
Statement of Cash Flow	4
Notes to Financial Statements	5 - 8
Schedule of Expenses	9
Schedule of Public Sector Compensation Disclosure	10

MAGNUS & BUFFIE
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Land Management Services, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2005 and the statements of income and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 18, 2005

CHARTERED ACCOUNTANTS

BALANCE SHEET
(in thousands)
MARCH 31, 2005

	2005	2004
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 475	$ 365
Accounts receivable	107	352
Work in process	156	57
Prepaid expenses	27	39
	765	813
DISCHARGE FUNDS HELD IN TRUST (Note 3)	4	3
RECEIVABLE FROM PROVINCE OF MANITOBA (Notes 4 and 8)	324	324
CAPITAL ASSETS (Note 5)	220	236
	$ 1,313	$ 1,376
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 277	$ 258
Property proceeds payable (Note 7)	265	381
Client funds payable	163	161
	705	800
SEVERANCE PAY LIABILITY (Note 8)	203	216
UNEARNED REVENUE (Note 3)	4	3
	912	1,019
EQUITY		
RETAINED EARNINGS	401	357
	$ 1,313	$ 1,376

STATEMENT OF INCOME AND RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
RECOVERIES	$ 2,517	$ 2,518
OTHER INCOME	17	84
INCOME BEFORE EXPENSES	2,534	2,602
EXPENSES		
Administrative (Page 9)	489	573
Operating (Page 9)	142	165
Wages and benefits	1,609	1,561
	2,240	2,299
NET INCOME FOR THE YEAR	294	303
RETAINED EARNINGS, beginning of year	357	304
	651	607
REVENUE SHARING - PROVINCE OF MANITOBA	250	250
RETAINED EARNINGS, end of year	$ 401	$ 357

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net income for the year	$ 294	$ 303
Adjustment for		
Amortization	94	127
	388	430
Changes in the following		
Accounts receivable	245	(288)
Work in process	(99)	(2)
Prepaid expenses	12	25
Accounts payable and accrued liabilities	19	81
Property proceeds payable	(116)	(141)
Unearned revenue	(1)	-
	448	105
FINANCING ACTIVITIES		
Change in discharge funds held in trust	1	-
Change in client funds payable	2	(16)
Change in severance pay liability	(13)	30
Revenue sharing - Province of Manitoba	(250)	(250)
	(260)	(236)
INVESTING ACTIVITY		
Capital asset additions	(78)	(128)
CHANGE IN CASH AND SHORT TERM DEPOSITS	110	(259)
CASH AND SHORT TERM DEPOSITS, beginning of year	365	624
CASH AND SHORT TERM DEPOSITS, end of year	$ 475	$ 365

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2005

1. NATURE OF ORGANIZATION

In 1965, The Land Acquisition Act was passed into law, bringing the Land Acquisition Branch into existence to provide a consistent process of real estate acquisition by government

Effective April 1, 1995, the Land Acquisition Branch, under the operating name Land Management Services ("LMS"), was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

LMS is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from LMS operations. It finances LMS through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating status, assist LMS to sustain the provision of high quality land acquisition services to its clients.

A Management Agreement between the Financing Authority and the Minister of of Transportation and Government Services assigns responsibility to LMS to manage and account for LMS related assets and operations on behalf of the Financing Authority.

LMS continues to be part of Manitoba Transportation and Government Services under the general direction of the Assistant Deputy Minister - Supply and Service Division, and ultimately the policy direction of the Deputy Minister and Minister of Transportation and Government Services.

LMS remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

LMS is economically dependent on the Province of Manitoba because it derives most of its revenue and all of its financing requirements from the Province through the Financing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Capital assets

Capital assets are recorded at cost and are amortized annually at the following rates and methods:

Computer software and equipment	20% straight line basis, 10% in year of acquisition
Equipment - office	20% straight line basis, 10% in year of acquisition
Leasehold improvements	20% straight line basis, 10% in year of acquisition

(b) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Revenue recognition

The percentage of completion method of accounting is used, whereby revenue is recognized proportionately with the degree of completion of the contracted work.

(d) Financial instruments

It is management's opinion that the carrying value of LMS's financial instruments approximates their fair value, except for the receivable from the Province of Manitoba which cannot be reasonably estimated due to the nature of the underlying terms of collection. In addition, it is management's opinion that LMS is not exposed to significant interest, currency or credit risks arising from these financial instruments.

3. DISCHARGE FUNDS HELD IN TRUST AND UNEARNED REVENUE

Discharge funds held in trust and the majority of unearned revenue represents the fee for finalizing to consolidate titles on discharge of mortgages on properties being consolidated. This fee is put into a special interest bearing trust account and the revenue deferred. When the mortgage is discharged the deferred revenue will be recognized and the funds released from the trust account. It is estimated some files could be completed in as little as two years and as many as 20 years.

4. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of LMS prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2005	2004
Vacation entitlements	$ 132	$ 132
Severance pay benefits (Note 8)	192	192
	$ 324	$ 324

The timing and collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of LMS.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2005	Net Book Value 2004
Computer software and equipment	$ 1,247	$ 1,055	$ 192	$ 198
Equipment - office	105	79	26	35
Leasehold improvements	7	5	2	3
	$ 1,359	$ 1,139	$ 220	$ 236

6. WORKING CAPITAL

LMS has an authorized line of working capital of $800, none of which was accessed at March 31, 2005.

7. PROPERTY PROCEEDS PAYABLE

LMS disposes of general Federal, Provincial operating agency and Municipal properties on a cost recovery basis. As at March 31, 2005, LMS had received proceeds on sales in excess of disposition costs of $265 (2004 - $381) which is outstanding and due to the various entities at year-end.

8. SEVERANCE PAY LIABILITY

Effective April 1, 1998, LMS began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by LMS's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $188 was completely offset by a receivable from the Province.

An actuarial valuation report of LMS's severance as at March 31, 2000 was completed in prior years. The receivable from the Province was restated to $192 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the LMS's actuarial liability has been calculated to be $203 as at March 31, 2005.

9. PENSION BENEFITS

Employees of LMS are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba LMS transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, LMS was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was $59 (2004 - $54).

10. SURPLUS PROPERTIES

LMS is responsible for the disposition of certain surplus crown-owned properties. In accordance with direction from the Provincial Treasury Board, LMS has established a $200 reserve account within retained earnings to cover any aggregate annual disposition costs which exceed the proceeds of surplus Crown-owned properties offered for sale. LMS can retain excess proceeds over disposition costs of surplus Crown-owned properties to the extent of any cumulative unrecovered historical shortages.

During the year LMS experienced a $2,540 surplus of which $2,490 was remitted to the Province and $50 (2004 - $79) was retained. The cumulative unrecorded historical shortage is $nil, leaving $200 (2004 - $150) in the reserve account.

11. LEASE COMMITMENTS

LMS has not entered into a lease agreement with the Province of Manitoba for rental facilities at 25 Tupper Street N. Occupancy charges for the year ending March 31, 2006 are estimated to be $110 (2005 - $104).

LMS is also leasing office equipment and vehicles from the Province of Manitoba, with future estimated lease payments as follows:

Year	Amount
2006	$ 34
2007	27
2008	21
2009	17
2010	16

12. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with classifications used in the current year.

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF EXPENSES
(in thousands)

FOR THE YEAR ENDED MARCH 31, 2005	2005	2004
ADMINISTRATIVE		
Amortization	$ 94	$ 127
Computer maintenance	53	59
Contributed services	34	44
Human resources overhead	18	18
IT leasing and support	98	94
Occupancy costs	104	104
Other	29	61
Supplies	12	16
Training	47	50
	$ 489	$ 573

	2005	2004
OPERATING		
Printing, postage and advertising	$ 22	$ 40
Professional fees	38	33
Telephone	20	29
Travel	62	63
	$ 142	$ 165

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION	
		2005	2004
Raeburn Csversko	Chief Operating Officer	$ 84	$ 78
Edwin Froese	Property Appraiser	74	52
Larry Pearson	Property Appraiser	63	56
Garfield Minkus	Property Appraiser	60	58
Scott Millar	Property Appraiser	60	58
Kurt Wright	Acting Manager of Appraisals	60	-
Normand Le Neal	Controller	58	56
Rob Lucky	Property Appraiser	58	53
Aurel Pantel	Property Appraiser	56	-
Calvin Pishak	Info Technologist	54	50
Jerry McLeod	Property Appraiser	53	55
Judy Sonley	Property Appraiser	53	-
Rodney Kent	Manager of Property Administration	50	-

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority

Financial Statements
For the year ended March 31, 2005

BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors

Pineland
Forest Nursery

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of the management of Pineland Forest Nursery and have been prepared in accordance with generally accepted accounting principles. In management's opinion the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data up to May 25, 2005.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Auditor is to express an independent opinion on whether the financial statements of Pineland Forest Nursery are fairly represented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

Trevor Stanley
General Manager

May 25, 2005

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority

Financial Statements
For the year ended March 31, 2005

Contents

Auditors' Report 2

Financial Statements

Balance Sheet 3
Statement of Income 4
Statement of Retained Earnings 5
Statement of Cash Flows 6
Summary of Significant Accounting Policies 7
Notes to Financial Statements 9

Supplementary Information to the Financial Statements

Schedule of Operating Expenses 12
Schedule of Public Sector Compensation Disclosure 13

BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors
www.bdo.ca

700 - 200 Graham Avenue
Winnipeg, Manitoba Canada R3C 4L5
Telephone: (204) 956-7200
Telefax: (204) 926-7201

Auditors' Report

To The Special Operating Agencies Financing Authority:

We have audited the balance sheet of **PINELAND FOREST NURSERY**, An Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2005 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Nursery's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Nursery as at March 31, 2005, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 25, 2005

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Balance Sheet
(in thousands)

March 31	2005	2004
Assets		
Current Assets		
Accounts receivable (Note 2)	$ **274**	$ 331
Unbilled revenue	**331**	344
Inventory	**109**	120
Prepaid expenses	**49**	45
	763	840
Receivable from the Province of Manitoba (Note 3)	**187**	187
Capital assets (Note 4)	**2,113**	2,369
	$ **3,063**	$ 3,396
Liabilities and Equity		
Current Liabilities		
Working capital advances (Note 5)	$ **2,113**	$ 2,251
Accounts payable and accrued liabilities	**200**	178
Current portion of long-term debt	**-**	51
	2,313	2,480
Severance pay liability (Note 6)	**162**	147
	2,475	2,627
Contributed equity (Note 7)	**356**	356
Retained earnings (Page 5)	**232**	413
	588	769
	$ **3,063**	$ 3,396

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Statement of Income
(in thousands)

For the year ended March 31	2005	2004
Revenue		
Private sector		
Overwinter	$ **1,071**	$ 907
Current	**530**	421
Greenhouse poplar	**12**	-
Seed services	**200**	139
Tree improvement	**30**	58
Poplar program	**5**	-
Other	**1**	1
	1,849	1,526
Province of Manitoba		
Overwinter	**1,026**	1,280
Current	**69**	88
Seed services	**15**	11
	1,110	1,379
	2,959	2,905
Expenses		
Salaries and benefits	**1,563**	1,490
Operating expenses (Page 12)	**1,179**	1,147
Amortization - capital assets	**327**	355
Interest - operating loan	**66**	79
Interest - capital loan	**5**	9
	3,140	3,080
Net loss for the year (Page 5)	$ **(181)**	$ (175)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Statement of Retained Earnings

(in thousands)

For the year ended March 31	2005	2004
Retained earnings, beginning of year	$ 413	$ 588
Net loss for the year (Page 4)	(181)	(175)
Retained earnings, end of year (Page 3)	$ 232	$ 413

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Statement of Cash Flows

(in thousands)

For the year ended March 31	2005	2004
Cash Flows from Operating Activities		
Net loss for the year	$ (181)	$ (175)
Adjustment for		
Amortization - capital assets	327	355
	146	180
Changes in non-cash working capital		
Accounts receivable	57	57
Unbilled revenue	13	(92)
Inventory	11	27
Prepaid expenses	(4)	5
Accounts payable and accrued liabilities	22	29
Severance pay liability	15	13
	114	39
	260	219
Cash Flows from Investing Activities		
Acquisition of capital assets	(71)	(186)
Cash Flows from Financing Activities		
Repayment of long-term debt	(51)	(47)
Net increase (decrease) in cash and cash equivalents	138	(14)
Cash and cash equivalents, beginning of year	(2,251)	(2,237)
Cash and cash equivalents, end of year	$ (2,113)	$ (2,251)
Supplementary Information		
Interest paid	$ 71	$ 88

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Summary of Significant Accounting Policies
(in thousands)

March 31, 2005

Basis of Reporting

The financial statements of the Nursery have been prepared in accordance with Canadian generally accepted accounting principles.

Inventory

Supplies inventory is valued at the lower of cost and replacement cost.

Capital Assets

Capital assets are recorded at cost and amortized on a declining balance basis at the following rates:

Greenhouses, coldframes, freezers, holding area, minor service buildings, major pump-house, major service buildings, propane conversion	10%
Equipment	20% - 30%

Amortization on current year additions is pro-rated based on the length of time in use in the current year.

Accrued Vacation Entitlement

The Nursery follows the policy of the Department of Finance to recognize the vacation entitlement liability accumulated to March 31, 1995. The liability at this date is offset by a receivable from the Province and was $99 as at March 31, 1995. Any subsequent changes to the entitlement are reflected as a current year expense to the Nursery. As at March 31, 2005 there was an increase to the entitlement in the amount of $2. The accrued vacation entitlement was $116 as of March 31, 2005 (2004 - $114) and is included in accounts payable and accrued liabilities.

Revenue Recognition

Revenues are recognized on a percentage of completion basis. Any excess of revenue recorded on a percentage of completion basis over amounts billed is recorded as unbilled revenue.

Financial Instruments

The Nursery's financial instruments consist of accounts receivable, unbilled revenue, working capital advances, accounts payable and accrued liabilities and severance pay liability. Unless otherwise noted, it is management's opinion that the Nursery is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

It is management's opinion that the fair value of these financial instruments approximates their carrying value.

Use of Estimates	The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Nature of Organization

In 1953, Pineland Provincial Forestry Nursery was established to meet all the nursery stock requirements of the province at one location. Prior to 1953 there were several small nurseries located throughout the province. Effective April 1, 1995, Pineland Forest Nursery was designated as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. c.S185) and operates under a charter approved by the Lieutenant Governor in Council.

A management agreement between the Financing Authority and the Minister of Conservation assigns responsibility to the Nursery to manage and account for the agency related assets and operations on behalf of the Financing Authority. Pineland Forest Nursery continues to be part of the Manitoba Conservation under the general direction of the Assistant Deputy Minister of Conservation Programs and ultimately the policy direction of the Deputy Minister and the Minister. Pineland Forest Nursery remains bound by relevant legislation and regulations. It is also bound by administrative policy, except where specific exemptions have been provided for in its charter in order to meet business objectives.

Pineland Forest Nursery is economically dependent on the Province of Manitoba, because it derives a significant portion of its revenue from the province and all of its financing requirements through the Financing Authority.

2. Accounts Receivable

	2005	2004
Trade Receivables		
Province of Manitoba	$ 90	$ 210
Other	184	164
	274	374
Allowance for doubtful accounts	-	(43)
	$ 274	$ 331

3. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation entitlements earned by the employees of the Nursery prior to creation of the Special Operating Agency on April 1, 1995 and for severance pay benefits earned prior to April 1, 1998. This receivable, or portion thereof, for the Nursery, will be collected in the event there is a cash shortfall. However, this is only likely to happen on dissolution of the Nursery. The balance is comprised of:

	2005	2004
Vacation entitlements	$ 99	$ 99
Severance pay benefits	88	88
	$ 187	$ 187

4. Capital Assets

	2005		2004	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Buildings	$ 3,919	$ 2,269	$ 3,904	$ 2,085
Equipment	1,616	1,153	1,561	1,011
	$ 5,535	$ 3,422	$ 5,465	$ 3,096
Cost less accumulated amortization		$ 2,113		$ 2,369

5. Working Capital Advances

The Financing Authority has provided the Nursery with an authorized line of working capital of $3,000 of which $2,113 was advanced at March 31, 2005 (2004 - $2,251).

6. Severance Pay Liability

Effective April 1, 1998, the Nursery began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on an actuarial valuation report.

The Province has accepted responsibility for the severance benefits accumulated by the Nursery's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $88 was completely offset by a receivable from the Province.

The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Nursery's actuarial liability has been calculated to be $162 as at March 31, 2005 (2004 - $147).

7. Contributed Equity

The Special Operating Agencies Financing Authority and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from the Province to the Financing Authority of inventory and capital assets valued at $712 required for the continuing operations of Pineland Forest Nursery as at March 31, 1995. The Nursery was responsible to repay the Special Operating Agencies Financing Authority the debt portion, in the amount of $356 (being half of the value of the assets) and to record the remainder as the Province's equity in the Financing Authority as related to the Nursery's operations. The debt portion was fully repaid during the current fiscal year.

8. Employee Pension Benefits

Employees of the Nursery are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Nursery transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Nursery was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was $60 (2004 - $58).

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Schedule of Operating Expenses

(in thousands)

For the year ended March 31	2005	2004
Supplies	$ 310	$ 279
Natural gas and hydro	356	352
Repairs and maintenance	216	190
Property taxes and insurance	98	96
Office	72	78
Departmental services and professional fees	46	48
Freight	45	46
Marketing	12	43
Travel	24	11
Bad debts	-	4
	$ 1,179	$ 1,147

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Schedule of Public Sector Compensation Disclosure

(in thousands)

For the year ended March 31 **2005**

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2005, the following employees received compensation of $50 or more:

Employee	Title	Compensation
Trevor Stanley	General Manager	$ 68
David Flight	Manager	50
Richard Lepage	Manager	50
Barbara North	Manager	50

COMPANIES OFFICE

FINANCIAL STATEMENTS

MARCH 31, 2005

RESPONSIBILIY FOR FINANCIAL REPORTING

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgments. The Agency's financial statements have been audited by Magnus & Buffie, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, if required to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

On Behalf of Management;

Myron Pawlowsky
Chief Operating Officer

Dave Rudy
Controller

May 17, 2005

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2005

Page

AUDITORS' REPORT 1

FINANCIAL STATEMENTS

Balance Sheet 2

Statement of Earnings and Retained Earnings 3

Statement of Cash Flow 4

Notes to Financial Statements 5 - 7

Schedule of Operating Expenses 8

Schedule of Public Sector Compensation Disclosure 9

MAGNUS & BUFFIE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Companies Office, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2005 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

CHARTERED ACCOUNTANTS

May 17, 2005

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2005

	2005	2004
ASSETS		
CURRENT ASSETS		
Cash and Short Term Deposits	$ 1,559	$ 2,139
Accounts Receivable (Note 4)	281	153
Prepaid Expenses	18	16
	1,858	2,308
RECEIVABLE FROM PROVINCE OF MANITOBA (Note 5)	218	218
CAPITAL ASSETS (Note 6)	95	84
	$ 2,171	$ 2,610
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued	$ 65	$ 303
Accrued Vacation Entitlements	161	149
	226	452
SEVERANCE PAY LIABILITY (Note 7)	201	218
	427	670
EQUITY		
RETAINED EARNINGS	1,744	1,940
	$ 2,171	$ 2,610

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS AND RETAINED EARNINGS
(in thousands)

FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
REVENUE		
Fees and Services	$ 5,349	$ 4,757
Interest	35	41
	5,384	4,798
EXPENSES		
Salaries and Employee Benefits	1,470	1,410
Operating Expenses (Page 8)	2,384	2,348
Amortization - Capital Assets	26	22
	3,880	3,780
NET EARNINGS FOR THE YEAR	1,504	1,018
RETAINED EARNINGS, Beginning of Year	1,940	1,722
	3,444	2,740
REVENUE SHARE TO PROVINCE OF MANITOBA	1,700	800
RETAINED EARNINGS, End of Year	$ 1,744	$ 1,940

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net Earnings for the Year	$ 1,504	$ 1,018
Adjustment for		
Amortization - Capital Assets	26	22
	1,530	1,040
Changes in the following		
Accounts Receivable	(128)	(61)
Prepaid Expenses	(2)	(1)
Accounts Payable and Accrued	(238)	233
Accrued Vacation Entitlements	12	-
	1,174	1,211
FINANCING ACTIVITIES		
Change in Severance Pay Liability	(17)	12
Revenue Share to Province of Manitoba	(1,700)	(800)
	(1,717)	(788)
INVESTING ACTIVITY		
Capital Asset Additions	(37)	(20)
CHANGE IN CASH AND SHORT TERM DEPOSITS	(580)	403
CASH AND SHORT TERM DEPOSITS, Beginning of Year	2,139	1,736
CASH AND SHORT TERM DEPOSITS, End of Year	$ 1,559	$ 2,139

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2005

1. NATURE OF ORGANIZATION

Effective April 1, 1996, the Lieutenant Governor in Council designated the Companies Office (the "Agency") as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council. Another Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency (at that time), to enter into a management agreement with respect to the Agency. The management agreement assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA. SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

The Agency is part of Manitoba Consumer and Corporate Affairs Division in the Department of Finance under the general direction of the Minister, Finance, the Deputy Minister and Assistant Deputy Minister who is also Chairperson of the Companies Office Advisory Board.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Capital Assets: Capital assets are amortized over their estimated useful lives as follows:

Computer Equipment and Software	20% straight line (10% in year of acquisition)
Office Equipment	20% straight line (10% in year of acquisition)
Furniture and Fixtures	20% straight line (10% in year of acquisition)
Leasehold improvements	20% straight line (10% in year of acquisition)

Revenue Recognition: Revenue is recognized when the service is substantially complete.

Financial Instruments: It is management's opinion that the carrying value of the Agency's financial instruments approximates their fair value, except for the receivable from the Province of Manitoba which cannot be reasonably estimated due to the nature of the underlying terms of collection. In addition, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2005

3. FINANCING ARRANGEMENTS

Working capital advances and long-term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority has approved a $100 limit in working capital advances. The Agency did not access working capital advances during the year.

4. ACCOUNTS RECEIVABLE

	2005	2004
Trade	$ 40	$ 27
Accrued Revenue	241	126
	$ 281	$ 153

5. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2005	2004
Vacation Entitlements	$ 92	$ 92
Severance Pay Benefits (Note 7)	126	126
	$ 218	$ 218

The timing of the collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2005	Net Book Value 2004
Computer Equipment and Software	$ 61	$ 35	$ 26	$ 18
Office Equipment	16	11	5	7
Furniture and Fixtures	99	56	43	59
Leasehold improvements	21	-	21	-
	$ 197	$ 102	$ 95	$ 84

7. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $170 was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in prior years. The receivable from the Province was estimated at $126 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $201 as at March 31, 2005.

8. PENSION BENEFITS

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was $73 (2004 - $67).

9. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2006 are estimated to be $127 (2005 - $123).

10. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the classifications used in the current year.

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF OPERATING EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
Accounting	$ 13	$ 13
Audit	4	4
Bad Debts	2	2
Bank Charges	17	14
BSI cost allocation	1,370	1,241
Communications	26	26
Computer	115	93
Conversion and Implementation	-	81
Department Services	31	30
Desktop	97	97
Disaster Recovery	39	35
Equipment Maintenance and Rentals	6	7
Insurance	14	12
Legal Services	6	65
Manitoba Business Links	183	201
Miscellaneous	17	14
NUANS	145	149
Office Rent	123	122
Payroll Processing	20	20
Postal and Courier	44	45
Programmers	63	22
Stationery	44	48
Transportation	5	7
	$ 2,384	$ 2,348

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2005	COMPENSATION 2004
Myron Pawlowsky	Chief Operating Officer	$ 84	$ 81
Shane Lasker	Acting Deputy Director - Legal	66	65
Joan Alty	Deputy Director - Hub Administration	64	65
Dave Rudy	Controller	64	62
Ruth Brousseau	Accounting Clerk	60	-
Linda Kalinski	Deputy Director - Operations	57	57
Isabelle Aubin	Supervisor	51	50

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Financial Statements

March 31, 2005

www.mtbb.mb.ca

MANITOBA TEXT BOOK BUREAU
130 - 1st Avenue West
P.O. Box 910
Souris, Manitoba R0K 2C0

Tel: (204) 483-5040
(866) 771-6822 (MB & Sask.)
Fax: (204) 483-5041

A Special Operating Agency of Manitoba Education, Citizenship and Youth

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding necessary estimates and all other data available.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Bureau are properly safeguarded. Staff at the Auditor General's Office review internal controls and reports their findings to management.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

Lanny Kingerski
Chief Operating Officer

Denis Labossiere, C.G.A.
Controller

Souris, Manitoba
May 13, 2005

Contents

	Page
Auditors' Report	1
Balance Sheet	2
Statements of Income and Retained Earnings	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-8

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Manitoba Text Book Bureau
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Manitoba Text Book Bureau, An Agency of the Special Operating Agencies Financing Authority as at March 31, 2005 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Bureau as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 13, 2005

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet

(in thousands)

March 31	2005	2004
Assets		
Current		
Cash and cash equivalents	$ 11	$ 9
Accounts receivable	445	573
Inventory	2,106	2,209
Prepaid expenses	8	13
	2,570	2,804
Receivable from Province of Manitoba (Note 6)	64	64
Capital assets (Note 3)	92	95
	$ 2,726	$ 2,963
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 895	$ 818
Customer deposit accounts	143	82
Working capital advance (Note 9)	977	1,315
	2,015	2,215
Accrued severance liability (Note 6)	59	54
	2,074	2,269
Equity		
Contributed equity (Note 4)	550	550
Retained earnings	102	144
	652	694
	$ 2,726	$ 2,963

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statements of Income and Retained Earnings

(in thousands)

Year Ended March 31	2005	2004
Sales	$ 7,539	$ 7,361
Cost of goods sold:		
Inventory, beginning of year	2,209	2,563
Purchases	6,337	5,834
Transportation in	35	28
Transportation out	102	110
	8,683	8,535
Inventory, end of year	2,106	2,209
Cost of goods sold	6,577	6,326
Gross profit	962	1,035
General and administrative expenses		
Amortization	36	40
Audit	7	7
Computer expense	56	55
Employee benefits	59	67
Interest	45	52
Marketing	29	29
Office	29	32
Office occupancy	58	56
Postage	3	3
Salaries	370	377
Telephone	11	11
Training	1	
Travel	22	17
Warehouse occupancy	85	83
Warehouse service	193	188
	1,004	1,017
Net income	$ (42)	$ 18

	2005	2004
Retained earnings, beginning of year	$ 144	$ 126
Net income	(42)	18
Retained earnings, end of year	$ 102	$ 144

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows

(in thousands)

Year Ended March 31	2005	2004
Increase (decrease) in cash and cash equivalents		
Operating		
Net income	$ (42)	$ 18
Amortization	36	40
	(6)	58
Changes in		
Accounts receivable	128	(255)
Inventory	103	354
Prepaid expenses	5	4
Accounts payable and accrued liabilities	77	16
Customer deposit accounts	61	33
	368	210
Investing		
Acquisition of capital assets	(33)	(41)
Financing		
Accrued severance liability	5	5
Changes in working capital advance	(338)	(177)
	(333)	(172)
Net increase (decrease) in cash and cash equivalents	2	(3)
Cash and cash equivalents, beginning of year	9	12
Cash and cash equivalents, end of year	$ 11	$ 9

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements

(in thousands)

For the year ended March 31, 2005

1. Nature of operations

In 1931, the Manitoba Text Book Bureau (MTBB) was created as a branch of the Department of Education. It was established to achieve economies of scale and reduce the cost of learning resources for schools in Manitoba.

Effective April 1, 1996, the MTBB was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S 185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The MTBB is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the MTBB through working capital advances. This financial framework enables the MTBB to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Special Operating Agencies Financing Authority and the Minister of Education and Training assigns responsibility to the MTBB to manage and account for the MTBB related assets and operations on behalf of SOAFA.

The MTBB continues to be part of the Department of Education, Citizenship and Youth under the general direction of the Assistant Deputy Minister, School Programs Division, and ultimately the policy direction of the Deputy Minister and Minister.

The MTBB remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

2. Significant accounting policies

Basis of reporting

The financial statements of the MTBB are presented in accordance with Canadian Generally Accepted Accounting Principles.

Accounting estimates and assumptions

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank balance. Bank borrowings are considered to be financing activities.

Inventories

Inventories are valued using the average unit cost method.

Capital assets

Capital assets are recorded at cost in the year of acquisition. Rates and basis of amortization applied to write off the cost of capital assets over their estimated useful lives are as follows:

Office equipment, furniture and video recording equipment	20% declining balance
Computer software and equipment	20% straight line

One-half year's amortization is applied in the year of acquisition.

Revenue recognition

Revenue is recognized upon transfer of title to the customer.

---

3. Capital assets

			2005	2004
	Cost	Accumulated Amortization	**Net Book Value**	Net Book Value
Computer software & equipment	$ 283	$ 209	**$ 74**	$ 73
Office equipment & furniture	28	20	**8**	10
Video recording equipment	63	53	**10**	12
	$ 374	$ 282	**$ 92**	$ 95

4. Contributed equity

SOAFA and the Government of Manitoba entered into a Transfer Agreement in connection with the transfer from Manitoba to SOAFA of assets valued at $5,240 and liabilities of $4,690 required for the continuing operations of the MTBB as at March 31, 1996. The Manitoba Text Book Bureau recorded the balance of $550 (being the value of the net assets) as Manitoba's Contributed Equity in SOAFA as related to the Bureau's operations.

5. Related party transactions

The MTBB is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The MTBB enters into transactions with these entities in the normal course of business.

6. Severance liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability as at April 1, 1998 calculated at $63 was completely offset by a receivable from the Province.

The receivable from the Province, or portion thereof, for the MTBB, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the MTBB.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in 2001. The liability as at March 31, 2000 was restated to $46 and the receivable from the Province was restated to $64 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $59 as at March 31, 2005.

7. Pension benefits

Employees of the MTBB are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the MTBB transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the MTBB was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was $16 (2004 - $15).

8. Public sector compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2005, the following employees received compensation in excess of $50.

Name	Position	2005	2004
Lanny Kingerski	Chief Operating Officer	$69	$72
Denis Labossiere	Controller	$58	$60

9. Working capital

The MTBB has an authorized line of working capital advances of $4,000, of which $977 was used as of March 31, 2005 (2004 - $1,315).

10. Financial instruments

The MTBB's financial instruments consist of cash, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, customer deposits and a working capital advance. Unless otherwise noted, it is management's opinion that MTBB is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

MAIL MANAGEMENT AGENCY

Financial Statements

(In Thousands)

Year Ended March 31, 2005

MMA
MAIL MANAGEMENT AGENCY

200 Vaughan Street
Winnipeg MB R3C 1T5
Phone: 945-2820, Fax:945-5753

Mail Management Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for the financial statements and other financial information in the annual report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and the results of operations in accordance with generally accepted accounting principles. The Exchange Group - Chartered Accountants, independent external auditors, has audited the financial statements.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that the transactions are authorized, properly recorded and reported and that the assets are safeguarded.

An Advisory Board is available to meet, as required, with management to review accounting practices, financial reporting and to discuss audit results. During the year, management met once with the Advisory Board. The auditors have free and full access to this Board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

Mike Langenfeld
A/Chief Operating Officer

June 28, 2005

MAIL MANAGEMENT AGENCY

Index to Financial Statements

Year Ended March 31, 2005

Page

AUDITORS' REPORT 1

FINANCIAL STATEMENTS

- Balance Sheet 2
- Statement of Income and Retained Earnings 3
- Statement of Cash Flows 4
- Notes to Financial Statements 5 - 9

EXG

THE EXCHANGE

chartered accountants LLP

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Mail Management Agency, an agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2005 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
May 30, 2005

100-123 Bannatyne Ave., Winnipeg, Manitoba R3B 0R3
Telephone (204) 943-4584 Fax (204) 957-5195
E-mail info@exg.ca Website www.exg.ca

MAIL MANAGEMENT AGENCY

Balance Sheet

(In Thousands)

March 31, 2005

	2005	2004
ASSETS		
CURRENT		
Accounts receivable	$ 608	$ 835
Prepaid expenses	161	162
	769	997
DUE FROM PROVINCE *(Note 3)*	124	124
EQUIPMENT *(Notes 2, 4)*	157	232
	$ 1,050	$ 1,353
LIABILITIES		
CURRENT		
Working capital payable *(Note 5)*	$ 231	$ 483
Accounts payable and accrued liabilities	167	296
Current portion of capital lease obligation *(Note 7)*	42	38
	440	817
SEVERANCE LIABILITY *(Note 6)*	84	75
CAPITAL LEASE OBLIGATION *(Note 7)*	30	72
	554	964
EQUITY		
Contributed surplus *(Note 8)*	51	51
Retained earnings	445	338
	496	389
	$ 1,050	$ 1,353

COMMITMENTS *(Note 9)*

MAIL MANAGEMENT AGENCY

Statement of Income and Retained Earnings

(In Thousands)

Year Ended March 31, 2005

	2005	2004
REVENUE		
Mail processing	$ 4,842	$ 5,350
Mail finishing	384	360
Printing	124	112
Contract administration	70	60
Inter department mail	584	585
Other	-	1
	6,004	6,468
EXPENSES		
Amortization	81	79
Communications	9	8
Courier	158	155
Employee benefits	141	137
Equipment rental and maintenance	63	67
Interest and bank charges	5	17
Leases	18	23
Miscellaneous operating	39	35
Network	23	24
Occupancy	120	116
Office	42	45
Postage	4,332	4,847
Professional fees	9	3
Salaries	836	808
Sub-contracts	21	21
	5,897	6,385
NET INCOME	107	83
RETAINED EARNINGS - BEGINNING OF YEAR	338	255
RETAINED EARNINGS - END OF YEAR	$ 445	$ 338

MAIL MANAGEMENT AGENCY

Statement of Cash Flows

(In Thousands)

Year Ended March 31, 2005

	2005	2004
OPERATING ACTIVITIES		
Cash receipts from customers	$ 6,231	$ 6,396
Cash paid to suppliers and employees	(5,940)	(6,171)
Interest paid	3	5
Cash flow from operating activities	294	230
INVESTING ACTIVITY		
Additions to equipment	(4)	(39)
Cash flow used by investing activity	(4)	(39)
FINANCING ACTIVITY		
Capital lease obligation	(38)	(43)
Cash flow used by financing activity	(38)	(43)
INCREASE IN CASH	252	148
DEFICIENCY - BEGINNING OF YEAR	(483)	(631)
DEFICIENCY - END OF YEAR	$ (231)	$ (483)

1 DESCRIPTION OF OPERATIONS

In 1956, Mail Management (Postal Service) was created as a branch of the Manitoba Provincial Government to provide centralized postal management.

Effective April 1, 1996, the Postal Service was renamed Mail Management Agency (the "Agency") and designated as a Special Operating Agency (SOA) pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from the Agency operations. It finances the Agency through repayable loans and working capital advances. The financial framework enables the Agency to operate in a business-like manner according to the public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Transportation and Government Services assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

The Agency continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and Minister.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba. Currently, the Agency derives most of its revenue and all of its capital financing requirements from the Province. The transactions with the Province of Manitoba are recorded at the exchange amount, which is the amount agreed upon by both parties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Equipment

Equipment is recorded at cost and are amortized annually at the following rates and bases:

Production equipment	20%	declining balance method
Computer equipment	20%	straight-line method
Capital lease		lease term straight-line method

Some of the production equipment has been amortized at an accelerated rate because the Agency plans to replace some of the equipment earlier than originally planned.

Revenue Recognition

Revenue is recognized upon shipment of goods or providing the service and when collection is reasonably assured.

3. DUE FROM PROVINCE

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to its designation as an SOA. It also includes severance pay benefits earned by the employees to March 31, 1998.

The receivable, or portion thereof, for the Agency will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

4. EQUIPMENT

	Cost	Accumulated amortization	**2005 Net book value**	2004 Net book value
Production equipment	$ 337	$ 301	**$ 36**	$ 111
Computer equipment	7	5	**2**	2
Capital lease	189	70	**119**	119
	$ 533	$ 376	**$ 157**	$ 232

5. WORKING CAPITAL PAYABLE

The Agency has an authorized line of working capital advances of $1,500 of which $1,269 is available as at March 31, 2005 (2004 - $1,017).

6. SEVERANCE LIABILITY

Effective April 1, 1998, the Agency commenced recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Agency. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. That responsibility is reflected by a $124 receivable from the Province.

An actuarial report was completed February 2001 calculating the severance pay liability balance as at March 31, 2000. This actuarial report provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $84 as at March 31, 2005 (2004 - $75).

7. CAPITAL LEASE OBLIGATION

	2005	2004
Pitney Bowes capital lease bearing interest at 2.37 % per annum, repayable in quarterly instalments of $2 blended principal and interest. The capital lease ends on January 31, 2006 and is secured by a high speed mailing machine.	**$ 8**	$ 14
Xerox Canada capital lease repayable by a fixed annual contract fee of $24. The capital lease ends on January 30, 2008.	**47**	71
DeLage Landen capital lease repayable in quarterly payments of $2. The capital lease ends on December 31, 2006.	**17**	25
	72	110
Amounts payable within one year	**(42)**	(38)
	$ 30	$ 72

Principal repayment terms are approximately:

2006	$ 42
2007	30
	$ 72

8. CONTRIBUTED SURPLUS

SOAFA and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of equipment valued at $102 required for continuing operations of the Agency as at March 31, 1996. The Agency is responsible to repay SOAFA the debt portion in the amount of $51 (being one-half of the value of the assets) and to record the balance of $51 as Manitoba's equity in the Financing Authority as related to the Agency's operations. The debt portion has been repaid.

9. COMMITMENTS

The Agency has not entered into lease agreements with the Province of Manitoba for the five locations that it operates (200 Vaughan Street, Winnipeg; 405 Broadway, Winnipeg; 450 Broadway, Winnipeg; 340 - 9th Street, Brandon; and 25 Tupper Street, Portage la Prairie). Occupancy charges for the year ended March 31, 2005 were $120, whereas charges for the year ended March 31, 2004 were $116.

10. PENSION BENEFITS

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Agency was required to pay the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was $35 (2004 - $34).

11. THE PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation exceeding $50 annually to any officer or employee of the Province of Manitoba. The following employees received compensation in excess of $50:

Name	Position	2005	2004
Greg Bowers	Acting Chief Operating Officer and Marketing Manager	**$ 59**	$ 58
Wesley Dropko	Programmer Analyst	**52**	-
Michael Langenfeld	Acting Chief Operating Officer and Operations Manager	**51**	-
		$ 162	$ 58

12. FINANCIAL INSTRUMENTS

The Agency's financial instruments consist of accounts receivable, due from Province, working capital payable, accounts payable and accrued liabilities, severance liability and capital lease obligation. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

13. SUBSEQUENT EVENT

The Province of Manitoba approved the amalgamation of the operations of Mail Management Agency and Materials Distribution Agency effective April 1, 2005. The amalgamated operations will operate as Materials Distribution Agency.

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to this year's presentation.

Industrial Technology Centre - An Agency of the Special Operating Agencies Financing Authority

Financial Statements

For the year ended March 31, 2005

BDO Dunwoody LLP
Chartered Accountants
and Advisors

Industrial Technology Centre
A Special Operating Agency of Manitoba Energy, Science and Technology

Unit 12 - 1329 Niakwa Road East
Winnipeg MB R2J 3T4

Phone: (204) 945-6000
Fax: (204) 945-1784

Toll free: 1-800-728-7933
Web page: www.itc.mb.ca

REGISTERED
ISO 9001

May 19, 2005

For the year ended March 31, 2005

The accompanying financial statements of the Industrial Technology Centre are the responsibility of management and have been prepared by ITC in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 19, 2005.

Management maintains internal controls designed to indicate responsibility, provide reasonable assurance of the reliability and accuracy of the financial statements, and properly safeguard ITC's assets.

The responsibility of the external audit is to express an independent, professional opinion lending assurance and objectivity as to whether the financial statements of ITC are fairly presented in accordance with Canadian generally accepted accounting principles. The auditors' report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

T. J. Cornell

Trevor Cornell
Chief Operating Officer

David Olafson
Manager, Corporate Services

BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors
www.bdo.ca

700 - 200 Graham Avenue
Winnipeg Manitoba Canada R3C 4L5
Telephone (204) 956-7200
Telefax (204) 926-7201

Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the **Industrial Technology Centre** as at March 31, 2005 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 19, 2005

INDUSTRIAL TECHNOLOGY CENTRE
An Agency of the Special Operating Agencies Financing Authority Province of Manitoba
Balance Sheet

As at March 31, 2005

(in thousands)	2005	2004
Assets		
Current		
Cash and funds on deposit with Minister of Finance net of working capital advance (Note 3)	$ 615	$ 847
Accounts receivable	248	234
Prepaid expenses	18	17
	881	1,098
Due from Province of Manitoba (Note 5)	103	103
Capital assets (Notes 2 and 4)	481	522
	$ 1,465	$ 1,723
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 364	$ 289
Severance liability (Note 5)	192	176
	556	465
Equity		
Contributed Equity (Note 6)	62	62
Retained Earnings	847	1,196
	909	1,258
	$ 1,465	$ 1,723

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Statement of Earnings and Retained Earnings

For the year ended March 31, 2005

(in thousands)	2005	2004
Revenue		
Province of Manitoba	$ 450	$ 750
Fee for service	1,350	1,331
Other	47	51
	1,847	2,132
Operating expenses		
Advertising and promotion	81	95
Amortization	142	166
Audit and legal	10	5
Bad debts	3	7
Building maintenance	38	42
Computer	20	12
Equipment	21	39
Fees and memberships	20	18
Heat and electricity	37	33
Insurance	50	52
Library operations	33	24
Office	54	52
Professional development	24	3
Project supplies and subcontract	70	96
Purchased services	13	5
Rent and property tax	121	121
Salaries and benefits	1,435	1,348
Travel	24	25
	2,196	2,143
Net earnings (loss)	(349)	(11)
Retained earnings at beginning of period	1,196	1,207
Retained earnings at end of period	$ 847	$ 1,196

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Statement of Cash Flow

For the year ended March 31, 2005

(in thousands)	2005	2004
Cash derived from (applied to):		
Operating activities		
Net earnings (loss)	($ 349)	($ 11)
Items not involving cash		
Amortization	142	166
Loss on disposal	-	-
	(207)	155
Changes in non-cash working capital balances		
Accounts receivable	(14)	(108)
Prepaid expenses	(1)	8
Accounts payable and accrued liabilities	75	30
Severance liability	16	16
	(131)	101
Investing activities		
Acquisition of capital assets	(101)	(16)
Net increase (decrease) in cash and cash equivalents	(232)	85
Cash and cash equivalents at beginning of period	847	762
Cash and cash equivalents at end of period	$ 615	$ 847
Represented by:		
Cash and bank	$ 25	$ 38
Funds on deposit with the Minister of Finance	590	809
	$ 615	$ 847
Interest revenue included in cash flow from operating activities	$ 15	$ 20

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements
For the year ended March 31, 2005
(In Thousands)

1. Nature of Organization

The Industrial Technology Centre (ITC) was established in 1979 under "Enterprise Manitoba", a joint Federal/Provincial cost-shared funding agreement. ITC was managed by the Manitoba Research Council until September 1992 when responsibility for ITC was transferred to the Economic Innovation & Technology Council (EITC). ITC was created as a technical resource for Manitoba industry and government and continues to provide a wide range of technical services to both the private and public sectors.

Effective April 1, 1996, ITC was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council. ITC operates as part of Manitoba Energy, Science and Technology under the general direction of the Deputy Minister.

ITC is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations and has access to a working capital loan. The financial framework allows the Agency to operate in a business-like manner, which is facilitated by SOA status.

A Management Agreement between SOAFA and the Minister of Energy, Science and Technology assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

An Economic Development Contribution Agreement between ITC and Manitoba Energy, Science and Technology defines expected public policy benefits generated from ITC's operations.

ITC has full delegated authority for all administrative, financial and operational matters. This delegation is subject to any limitations, restrictions, conditions and requirements imposed by legislation or by the Minister.

INDUSTRIAL TECHNOLOGY CENTRE
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements
For the year ended March 31, 2005
(In Thousands)

2. Significant Accounting Policies

Basis of reporting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Capital assets

Capital assets are recorded at cost. Amortization, intended to write off the assets over their estimated useful lives, is recorded at the following annual rates and methods:

Furniture and fixtures	20%, declining balance
Office and laboratory equipment	20%, declining balance
Computer equipment and software	20%, straight-line
Leasehold improvements	20%, straight-line

Financial instruments

The Agency's financial instruments consist of cash and funds on deposit, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Revenue recognition

Province of Manitoba funding is recognized over the term for which it applies. Fees for service are recognized as the service is performed.

3. Working Capital Advance

The Agency has an authorized line of working capital advances up to a maximum of $300. As at March 31, 2005 working capital advances were nil (2004 – nil). The line bears interest at prime less 1% and is not secured by specific assets.

4. Capital Assets

	2005		2004	
	Cost	**Accumulated amortization**	**Cost**	**Accumulated amortization**
Furniture and fixtures	$ 4	$ 3	$ 4	$ 2
Office and laboratory equipment	829	513	780	447
Computer equipment and software	466	321	414	256
Leasehold improvements	49	30	49	20
	$ 1,348	**$ 867**	**$ 1,247**	**$ 725**
Net book value	**$ 481**		**$ 522**	

5. Severance Pay Benefits

Effective April 1, 1998, ITC began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by ITC's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $103 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for the Industrial Technology Centre, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Industrial Technology Centre.

An actuarial valuation report of ITC's severance as at March 31, 2000 has been completed. The report provides a formula to update the liability on an annual basis. ITC's liability has been calculated in accordance with this formula.

6. Contributed Equity

A Transfer Agreement between the Special Operating Agencies Financing Authority (SOAFA) and Manitoba effected a transfer of capital assets, current assets and current liabilities from Manitoba to SOAFA as at March 31, 1996. Net assets in the amount of $124 were transferred to continue the operations of ITC. ITC has repaid SOAFA the debt portion of $62 (50% of the value of the net assets) and recorded the remaining $62 (50% of the value of the net assets) as Manitoba's equity in SOAFA as related to the Agency's operations.

7. Commitment

The Agency will be relocating to SmartPark, near the University of Manitoba, with an anticipated occupancy of August 2005.

The Agency currently occupies and has a lease agreement for rental of the facilities at 1329 Niakwa Road East, Winnipeg, Manitoba. The lease terms at 1329 Niakwa Road will be on a month-to-month basis, at the same rate as FY 2005, until such time that ITC relocates to SmartPark.

The Agency has entered into a lease agreement for the rental of a new building at SmartPark, estimated at 23,852 square feet. Of this space, ITC will occupy 18,826 square feet, with 5,026 square feet being sublet to the Composites Innovation Centre (CIC). Occupancy costs pertaining to the CIC will be recoverable from them. This ten-year lease requires future lease payments as follows:

	ITC	CIC	Total
Year 1	$ 159	$ 42	$ 201
Year 2	168	45	213
Year 3	178	47	225
Year 4 - 10	187	50	237

It is anticipated that the SmartPark lease will commence in August 2005.

8. Pension Benefits

In accordance with the provisions of the Civil Service Superannuation Act, employees of the Centre are eligible for pension benefits under the Civil Service Superannuation Fund. This pension plan is a defined benefit plan, which requires the Centre to contribute an amount equal to the employee's contribution to the Fund for current services. The amount contributed and expense by the Centre for 2005 is $68 (2004 - $63).

The Centre has no further liability associated with the annual cost of pension benefits earned by the Centre's employees.

9. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

10. Public Sector Compensation

Pursuant to The Public Sector Compensation Disclosure Act, the following employees of ITC have received compensation of $50 or more, including benefits and severance payments, in the year ended March 31, 2005:

		2005	2004
Cornell, T.	Executive Officer 1	$ 102	$ 94
Dearth, B.	Librarian 3	53	n/a
Fredette, D.	Tech. Eng. Off. 2	56	n/a
Herwig, W.	Engineer 5	n/a	70
Kellington, D.	Engineer 5 (acting status)	65	57
Kojic, D.	Tech. Eng. Off. 1	51	n/a
McKendry-Smith, S.	Scientist 1	53	n/a
Olafson, D.	Financial Officer 6	69	64
Park, J.	Engineer 5	81	74
Peters, T	Scientist 1	51	n/a
Pizey, G.	Engineer 4	72	64
St. Jean, D.	Eco. Dev. Consultant 4	78	72
Semegen, M.	Eco. Dev. Consultant 4	78	72
Thomlinson, M.	Engineer 4	61	n/a

The Public Trustee of Manitoba
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements
March 31, 2005

Manitoba

The Public Trustee

155 Carlton St Suite 500
Winnipeg MB R3C 5R9
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 20, 2005. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Public Trustee are properly safeguarded.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

M Anne Bolton

M. Anne Bolton, Q.C.
Public Trustee

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba,
To the Public Trustee of Manitoba, and
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Public Trustee of Manitoba, an Agency of the Special Operating Agencies Financing Authority - Province of Manitoba, as at March 31, 2005 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 20, 2005

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2005

ASSETS

	2005	2004
Current		
Cash	$ 61	$ 20
Accounts receivable, net (Note 3)	768	736
Prepaid expenses	5	4
Short-term investments with Minister of Finance	1,380	1,180
	2,214	1,940
Receivable from Province of Manitoba (Note 4)	515	515
Capital Assets (Note 5)	130	139
	$ 2,859	$ 2,594

LIABILITIES

	2005	2004
Current		
Accounts payable and accruals (Note 6)	$ 548	$ 655
Severance pay benefits (Note 16)	418	435
	966	1,090

EQUITY

	2005	2004
Revenue stabilization reserve (Note 14)	500	500
Retained earnings	1,393	1,004
	1,893	1,504
	$ 2,859	$ 2,594

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS

(In Thousands)

YEAR ENDED MARCH 31, 2005

	2005	2004
Revenue		
Fees (Note 8)	$ 5,307	$ 5,195
Interest	28	27
Other	102	103
	5,437	5,325
Expenses		
Amortization of capital assets	34	39
Accommodation costs - Department of Government Services	298	279
Other administration expenses (Note 9)	866	775
Salaries and benefits	3,688	3,729
Employer pension costs	162	167
	5,048	4,989
Net Income (Loss)	389	336
Retained earnings, beginning of year	1,004	668
Retained earnings, end of year	$ 1,393	$ 1,004

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2005

	2005	2004
Cash derived from (applied to)		
Operating		
Net income (Loss)	$ 389	$ 336
Items not involving cash		
Amortization of capital assets	34	39
	423	375
Change in		
Receivables	(32)	(17)
Prepaid expenses	(1)	1
Payables	(107)	134
	283	493
Investing		
Acquisition of capital assets	(25)	(75)
Financing		
Severance pay benefits	(17)	1
Net increase (decrease) in cash	241	419
Cash and cash equivalents		
Beginning of year	1,200	781
End of year	$ 1,441	$ 1,200
Cash and cash equivalents consist of:		
Cash	$ 61	$ 20
Short-term investments	1,380	1,180
	$ 1,441	$ 1,200

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS

(In Thousands)

MARCH 31, 2005

1. Nature of organization

The Public Trustee protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, the Public Trustee was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Public Trustee is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Public Trustee operations. It finances the Public Trustee through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists the Public Trustee to sustain the provision of high quality service to her clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to the Public Trustee to manage and account for Public Trustee related assets and operations on behalf of the Financing Authority.

The Public Trustee continues to be part of Manitoba Justice. The Public Trustee is a corporation sole with perpetual succession. As a corporate entity the Public Trustee functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by her.

The Public Trustee remains bound by relevant legislation and regulations. The Public Trustee is also bound by administrative policy except where specific exemptions have been provided for in her charter in order to meet business objectives.

2. Significant accounting policies

a) Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

b) Revenue recognition

i. Administration fees are charged to client accounts quarterly based on the anniversary date of the account in accordance with provisions of The Public Trustee Act. The fees revenue recognized in a year consists of all fees charged, accruals and adjustments made to accounts.

ii. Other fees are recognized as revenue when charged to an account and could be subject to adjustment on closing.

iii. Statutory fees are recognized as revenue when received.

c) Capital assets

Capital assets are recorded at cost and are amortized annually as follows:

Furnishings and equipment - 20%, diminishing balance basis

Computer hardware and software - 20%, straight-line basis, 10% in year of acquisition, software purchases less than $1 are expensed in year of acquisition

Leasehold improvements - 20%, straight-line basis

d) Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

e) Financial instruments

The Agency's financial instruments consist of cash, accounts receivable, investments, and accounts payable. It is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

3. Accounts receivable

	2005	2004
Fees receivable	$ 773	$ 751
Allowance for doubtful accounts	(33)	(32)
	740	719
Interest receivable	4	3
Miscellaneous receivable	14	0
Advances to client accounts	4	8
Cost recoveries	6	6
	$ 768	$ 736

4. Receivable from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency in the amount of $219 and for severance entitlements earned by employees to March 31, 1998 in the amount of $296. This receivable, or portion thereof, for the Public Trustee, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Public Trustee.

5. Capital Assets

	2005		2004	
	Cost	**Accumulated Amortization**	**Cost**	**Accumulated Amortization**
Furnishing & equipment	$ 274	$ 148	$ 251	$ 116
Computer hardware & software	72	68	70	66
	$ 346	$ 216	$ 321	$ 182
Cost less accumulated amortization		$ 130		$ 139

6. Accounts payable and accruals

	2005	2004
Operating expenses payable	$ 48	$ 136
Salaries & benefits payable	136	152
Vacation entitlements accrual	330	335
GST payable to Revenue Canada	34	32
	$ 548	$ 655

7. Working capital

The Agency has an authorized line of working capital of $1,000 through SOAFA, which was unused and available at March 31, 2005.

8. Fees revenue

	2005	2004
Administration	$ 4,579	$ 4,469
Legal	294	248
Income tax	250	251
Inspection	184	227
	$ 5,307	$ 5,195

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2005

9. Other Administration expenses

	2005	2004
Computer expenses	$ 474	$ 433
Courier charges	5	5
Desktop costs	0	1
Insurance, loss, damage	41	16
Office supplies	60	39
Other	7	5
Personnel	13	16
Photocopy	13	16
Postage	51	52
Professional fees	30	30
Publications	4	5
Public communications	6	7
Records Centre Charges	17	17
Rentals, equipment	3	2
Repairs & maintenance	13	8
SAP costs	7	7
Support services - Department of Justice	21	22
Telephone	47	50
Travel	54	44
	$ 866	$ 775

10. Commitments

The Public Trustee has an arrangement with the Province of Manitoba for rental of its facilities at 155 Carlton Street in Winnipeg and its facility in the Provincial Building in Brandon. The Agency operates under an agreement for desktop computing. It is estimated that desktop computing costs will be $231 annually to 2005/2006.

11. Related party transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2005

12. Escheats to the Crown

Escheats to the Crown, received by the Public Trustee during the year and remitted to the Minister of Finance, amounted to $ 62 (2004 - $ 51). These amounts are not reflected in these financial statements.

13. Estates and trusts under administration

The client assets under administration at March 31, 2005 total approximately $177,000 (2004 - $172,000). The trust activities of the Public Trustee are reported in separate Estates and Trusts under Administration financial statements.

14. Revenue stabilization reserve

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses.

15. Public Sector Compensation Disclosure Act

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2005, the following employees received compensation in excess of $50:

Employee	Position	Amount
Bolton, M. Anne Q.C,	Senior Legal Officer	$ 111
Beaman, Patrick	Estates Officer 3	53
Darrach, Bruce	Information Technologist 3	67
Drever, Bruce	Legal Counsel 3	140
Fergusson, John	Legal Counsel 2	105
Kihn, Shirley	Estates Officer 3	50
Knowlton, Joanna	Legal Counsel 3	108
Kozusko, Norman	Information Technologist 4	73
Mosely, James	Estates Officer 3	50
Sallans, David	Management Analyst 3	69
Samagalski, Michelle	Estates Officer 3	50
Shapiro, Laurie	Estates Officer 4	54
Taylor, Jana	Legal Counsel 1	54
Tessier, Rachelle	Estates Officer 4	53
Winning, Marla	Estates Officer 4	51

16. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

An actuarial valuation report of the Agency's severance was completed as at March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability at March 31, 2005 has been calculated to be $ 418 (2004 - $ 435).

17. Pension benefits

Employees of the Public Trustee are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba the Public Trustee transferred to the Province the pension liability for her employees.

Commencing April 1, 2001, the Public Trustee was required to pay to the Province an amount equal to her employees' current pension contributions. The amount paid for 2005 was $162 (2004 - $167).

OFFICE OF THE FIRE COMMISSIONER

Financial Statements

For the year ended March 31, 2005

OFFICE *of the* FIRE COMMISSIONER

Management's Report

For the year ended March 31, 2005:

The accompanying financial statements of the Office of the Fire Commissioner are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In the management's opinion, the financial statements have been properly prepared within the reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 25, 2005.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Office of the Fire Commissioner are properly safeguarded.

The responsibility of the auditor is to express an opinion of whether the financial statements of the Office of the Fire Commissioner are fairly presented in accordance with Canadian generally accepted accounting principles. The auditor's report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

Douglas Popowich
Fire Commissioner

Brian A. Hodge, CGA, BAccS
Comptroller

508 Norquay Building · 401 York Avenue · Winnipeg, Manitoba · Canada · R3C 0P8
Telephone (204) 945-3322 · Fax (204) 948-2089 · Website www.firecomm.gov.mb.ca

BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors
www.bdo.ca

700 - 200 Graham Avenue
Winnipeg, Manitoba, Canada R3C 4L5
Telephone: (204) 956-7200
Telefax: (204) 926-7201

Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the **Office of the Fire Commissioner** as at March 31, 2005 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 25, 2005

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority

Balance Sheet

March 31	2005	2004
	(000's)	
Assets		
Current Assets		
Cash	$ 4,228	$ 3,740
Short-term investments (Note 3)	2,613	2,897
Accounts receivable (Note 4)	619	540
Accrued interest	10	9
Inventory	10	13
Prepaid expenses	52	55
	7,532	7,254
Non-Current Assets		
Due from Province of Manitoba - Severance (Note 7)	311	311
Due from Province of Manitoba - Vacation Pay (Note 16)	248	248
Capital assets (Note 6)	5,689	5,616
	6,248	6,175
	$ 13,780	$ 13,429
Liabilities and Equity		
Current Liabilities		
Accounts Payable	$ 574	$ 459
Accrued Liabilities	585	624
Deferred Revenue	894	718
	2,053	1,801
Severance Liability (Note 7)	361	365
	2,414	2,166
Equity		
Contributed Capital (Note 8)	11,279	11,279
Water Bomber Reserve Fund (Note 13)	100	-
Retained Earnings (Deficiency)	(13)	(16)
	11,366	11,263
	$ 13,780	$ 13,429

Approved on behalf of the Special Operating Agency Advisory Board:

Chairperson

Fire Commissioner

The accompanying notes form an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Operations

For the year ended March 31

(000's)

	2005 Actual	2004 Actual	Variance	Budget	Budget Variance
Revenue					
Levy	$ 4,611	$ 4,551	$ 60	$ 4,615	($ 4)
Permits, Plan Review & Per Capita	968	1,037	(69)	1,000	(32)
Tuition & Contract Revenue	1,211	1,221	(10)	1,349	(138)
New SAR Initiative (NIF) Grant (Note 9)	26	33	(7)	-	26
JEPP Initiative Grant (Note 10)	69	135	(66)	44	25
HUSAR Initiative Grant (Note 11)	377	196	181	232	145
Interest	79	94	(15)	100	(21)
Inspections	5	3	2	13	(8)
Emergency Services Conference	96	96	-	96	-
Book Sales	8	1	7	6	2
Rent	4	1	3	2	2
Water Bomber Recovery	-	78	(78)	100	(100)
Other Revenue	58	63	(5)	95	(37)
Total Revenue	7,512	7,509	3	7,652	(140)
Expenses					
Salaries and Benefits	3,671	3,453	218	3,858	(187)
Amortization	481	479	2	481	-
Vehicle Lease	327	331	(4)	342	(15)
Travel	277	287	(10)	319	(42)
Repairs and Maintenance	289	296	(7)	291	(2)
Communications	152	145	7	175	(23)
Mutual Aid	81	82	(1)	125	(44)
Rent	185	195	(10)	175	10
Desktop Management	211	215	(4)	230	(19)
Medical Computer Lab	26	27	(1)	26	-
Property Taxes	118	110	8	113	5
Labour Services	94	81	13	81	13
Supplies	318	277	41	293	25
Public Education Material	63	67	(4)	65	(2)
Marketing	14	11	3	15	(1)
Utilities	69	71	(2)	72	(3)
Insurance	100	65	35	84	16
Professional services	159	235	(76)	245	(86)
Postal & Courier	33	37	(4)	44	(11)
Professional Development	20	9	11	35	(15)
Land Lease	10	10	-	11	(1)
Publications	18	20	(2)	21	(3)
Buildings Standards Board	1	-	1	3	(2)
S.O.A. Board	2	1	1	2	-
Emergency Response	66	13	53	70	(4)
New SAR Initiative (NIF) Expenditures (Note 9)	39	66	(27)	-	39
JEPP Initiative Expenditures (Note 10)	23	80	(57)	-	23
JEPP Initiative Amortization (Note 10)	46	55	(9)	44	2
HUSAR Initiative Expenditures (Note 11)	303	155	148	137	166
HUSAR Initiative Amortization (Note 11)	74	41	33	95	(21)
Water Bombing	-	78	(78)	100	(100)
Bad Debt Expense (Note 12)	69	1	68	-	69
Other	70	69	1	75	(5)
	7,409	7,062	347	7,627	(218)
Net income (loss) for the year	103	447	(344)	25	78

The accompanying notes form an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Retained Earnings (Deficiency)

March 31		2005		2004
		(000's)		
Opening Balance	$	(16)	$	(463)
Add: Net Income for the Year		103		447
Less: Water Bomber Reserve Fund Allocation (Note 13)		(100)		-
Closing Balance	$	(13)	$	(16)

The accompanying notes form an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Cash Flows

For the year ended March 31		2005		2004
		(000's)		
Cash Flows from Operating Activities				
Net income for the year	$	103	$	447
Items not involving cash				
Amortization of capital assets		601		575
Gain on disposal of assets		-		(5)
		704		1,017
Net change in non-cash working capital balances		176		1,388
		880		2,405
Cash Flows from Investing Activities				
Purchase of capital assets		(676)		(578)
Proceeds on disposal of capital assets		-		8
		(676)		(570)
Increase in cash and cash equivalents during the year		204		1,835
Cash and cash equivalents, beginning of year		6,637		4,802
Cash and cash equivalents, end of year	$	6,841	$	6,637
Represented by:				
Cash and bank	$	4,228	$	3,740
Short-term investments		2,613		2,897
	$	6,841	$	6,637

The accompanying notes form an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
NOTES TO FINANCIAL STATEMENTS

March 31, 2005 (000's)

1. NATURE OF THE OFFICE OF THE FIRE COMMISSIONER

Effective April 1, 1996, the Office of the Fire Commissioner was designated as a Special Operating Agency (SOA) under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 1996, a Transfer Agreement executed between the Government of Manitoba (Labour) and the Financing Authority, a corporation under The Special Operating Agencies Financing Authority (SOAFA) Act, transferred all assets in the Fires Prevention Fund valued at $11,809 to the Financing Authority.

A Management Agreement executed between the Financing Authority and the Government of Manitoba (Labour) assigned responsibility to the Office of the Fire Commissioner to manage and account for the related assets and operations on behalf of the Financing Authority. The Office itself does not hold title to any assets. Effective April 1, 1996, the Financing Authority established a fund account referred to as the Fires Prevention Fund to hold these assets.

The Office of the Fire Commissioner will continue to be part of the Department of Labour and Immigration and ultimately under the policy direction of the Minister of Labour and Immigration.

The Office of the Fire Commissioner will remain bound by relevant legislation and regulations. It will also remain bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Office of the Fire Commissioner is economically dependent on the Province of Manitoba, as it derives most of its revenues from the Fires Prevention Levy.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are presented in accordance with Canadian generally accepted accounting principles.

b) Financial Instruments

The Agency's financial instruments consist of cash, accounts receivable, investments and accounts payable. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Accounting estimates and assumptions

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

d) Inventory

Inventory is valued at cost.

e) Capital assets

Buildings, fire engines, other vehicles and air compressors transferred to the SOAFA from the Government of Manitoba on April 1, 1996 were valued at the lower of their amortized cost or estimated market value. All other assets transferred from the Government of Manitoba on April 1, 1996 were valued at their market value.

The Office provides for amortization of its capital assets on the following basis:

Buildings	40 years straight line
Practical training site	20 years straight line
Equipment	20% declining balance
Equipment – JEPP	20% declining balance
Equipment – HUSAR	20% declining balance
Fire engines	30% declining balance
Other vehicles	30% declining balance
Other vehicles - HUSAR	30% declining balance
Air compressors	20% declining balance
Furniture	20% declining balance
Computer equipment and software	5 years straight line
Computer equipment – JEPP	5 years straight line
Computer equipment – HUSAR	5 years straight line

The half-rate rule is applied to computer equipment and software additions during the year.

f) Revenue recognition

The Fires Prevention Act imposes a special assessment on licensed insurers equal to a set percentage of total property insurance premiums.

The Office of the Fire Commissioner collects this levy based on the value of premiums and assessments in respect to property insurance in a calendar year. Levy revenue with respect to the 2004 calendar year will be recognized as revenue in the fiscal year ending March 31, 2005. The levy rate is set at 1.25%.

All other revenue is recognized when earned.

3. INVESTMENTS

The Investment Balance represents funds on deposit with the Department of Finance of the Province of Manitoba with maturities of less than one (1) year. Investments on deposit with maturities greater than one (1) year are classified as long term.

4. ACCOUNTS RECEIVABLE

The accounts receivable balance is made up of the following:

	2005	2004
Insurance Branch of Department of Consumer & Corporate Affairs	$ 45	$ 158
Office of Critical Infrastructure Protection and Emergency Preparedness	391	228
Other	183	154
	$ 619	$ 540

5. COMPARATIVE AMOUNTS

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

6. CAPITAL ASSETS

	Opening Balance	Additions	Disposals	Closing Balance
Buildings	$ 4,047	$ 9	$ -	$ 4,056
Training site	1,935	29	-	1,964
Equipment	1,209	158	-	1,367
Equipment – JEPP	336	11	-	347
Equipment – HUSAR	139	218	-	357
Fire engines	755	15	-	770
Other vehicles	193	50	-	243
Other vehicles – HUSAR	40	-	-	40
Air compressors	239	37	-	276
Furniture	70	-	-	70
Computers	153	148	-	301
Computers – JEPP	7	-	-	7
Computers – HUSAR	6	-	-	6
Total cost	$ 9,129	$ 675	$ -	$ 9,804

	Opening Accumulated Amortization	Disposition	Current Year's Amortization	Accumulated Amortization
Buildings	$ 949	$ -	$ 119	$ 1,068
Training site	572	-	97	669
Equipment	822	-	106	928
Equipment – JEPP	121	-	45	166
Equipment – HUSAR	28	-	65	93
Fire engines	493	-	83	576
Other vehicles	177	-	20	197
Other vehicles – HUSAR	12	-	8	20
Air compressors	161	-	26	187
Furniture	57	-	2	59
Computers	118	-	29	147
Computers – JEPP	2	-	1	3
Computers – HUSAR	1	-	1	2
Total Amortization	$ 3,513	$ -	$ 602	$ 4,115
Net Capital Assets	$ 5,616			$ 5,689

7. SEVERANCE LIABILITY

Effective April 1, 1998, The Office of the Fire Commissioner began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by The Office of the Fire Commissioner's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $282 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for the Office of the Fire Commissioner will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed. The liability as at March 31, 2000 was restated to $340 and the receivable from the Province was restated to $311 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $361 as at March 31, 2005.

8. CONTRIBUTED CAPITAL

In consideration of the transfer of said assets effective April 1, 1996, the SOAFA shall:

a) not incur or repay to the Government of Manitoba any debt relative to the assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance; and

b) record the balance of $11,038 (being the balance of the net assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance) as Manitoba's equity in the Financing Authority as related to the Agency's operations.

Due to a change in accounting policy, buildings are being amortized over 40 years as opposed to 30 years. This has resulted in a revaluation of buildings as at April 1, 1996. The value of buildings and contributed equity has increased $241 as at April 1, 1996 to $11,279.

9. NEW SEARCH AND RESCUE (SAR) INITIATIVE (NIF)

The Office of the Fire Commissioner has applied for and received a grant from the National Search and Rescue Secretariat of the Department of National Defence. The purpose of this grant is to enhance Manitoba search and rescue capabilities by developing the volunteer search and rescue system aimed at northern and remote areas of Manitoba.

9. NEW SEARCH AND RESCUE (SAR) INITIATIVE (NIF) (continued)

The New SAR Initiative (NIF) Grant line item reflects the grant received in Fiscal 2005 of $26. The New SAR Initiative (NIF) Expenditures line item reflects the following:

Operating expenditures	$ 26
Office of the Fire Commissioner service-in-kind portion	13
Total	$ 39

10. JOINT EMERGENCY PREPAREDNESS PROGRAM (JEPP) GRANT

The Office of the Fire Commissioner has applied for and received a grant from the Office of Critical Infrastructure Protection and Emergency Preparedness. The purpose of this grant is to enhance the Province of Manitoba's ability to respond to hazardous material emergency responses through the provision of equipment and training. The Province of Manitoba also is providing funding to the Office for this initiative.

In Fiscal 2004/05, the Office has also applied for and received an amount of $34 from the Province of Manitoba, of which $11 was allocated to deferred revenue for 2004/05 capital asset purchases. An additional amount of $46 was taken into revenue from the deferred revenue account for the amortization of the JEPP assets in 2004/05. This resulted in total JEPP revenue for the year of $69.

The JEPP Initiative Expenditure line item is comprised of the following:

Operating expenditures	$ 23

In Fiscal 2002/03, $342 was utilized to purchase capital assets for this initiative. An amount of $336 is reflected on the balance sheet Capital Asset line item and will be amortized based on the declining balance method at a rate of 20% for equipment. An additional amount of $6 is reflected on the balance sheet Capital Asset line item and will be amortized based on the five-year straight-line method for computer equipment. In Fiscal 2004/05, $11 was utilized to purchase capital assets for this initiative and is reflected on the balance sheet Capital Asset line item. This will be amortized based on the declining balance method at a rate of 20% for equipment. The deferred revenue related to these capital asset purchases will be recognized in the same fiscal year and in the same amount as the amortization expense on the JEPP capital assets.

11. HEAVY URBAN SEARCH AND RESCUE INITIATIVE

The Office of the Fire Commissioner has applied for and will receive a grant from the Office of Critical Infrastructure Protection and Emergency Preparedness. The purpose of this grant is to enhance the Province of Manitoba's ability to respond to heavy urban search and rescue responses through the provision of equipment and training. The Province of Manitoba also is providing funding to the Office for this initiative.

The Office has applied for and will receive an amount of $391 from the Office of Critical Infrastructure Protection and Emergency Preparedness. The Office has also applied for and has received an amount of $130 from the Province of Manitoba, for total grant revenue of $521. $218 of this total grant revenue has been allocated to deferred revenue, which represents Fiscal 2004/05 Capital Asset purchases. An amount of $74 was taken into revenue from the deferred revenue account for the amortization of HUSAR assets in 2004/05. This resulted in total HUSAR revenue for the year of $377.

The HUSAR Initiative Expenditure line item is comprised of the following:

Non-capital equipment purchases	$ 214
Training costs	67
Operating expenditures	22
Total	$ 303

An additional $403 was utilized to purchase capital assets for this initiative. An amount of $357 is reflected on the balance sheet Capital Asset line item for equipment purchases and will be amortized based on the declining balance method at a rate of 20% for equipment. An amount of $40 is reflected on the balance sheet Capital Asset line item for other vehicle purchases and will be amortized based on the declining balance method at a rate of 30% for other vehicles. An additional amount of $6 for computer purchases is reflected on the balance sheet Capital Asset line item and will be amortized based on the five-year straight-line method for computer equipment. The deferred revenue related to these capital asset purchases will be recognized in the same fiscal year and in the same amount as the amortization expense on the HUSAR capital assets.

12. BAD DEBT EXPENSE

Bad debt expense relates to two water bomber invoices issued to two municipalities for water bomber services during Fiscal 2002/03. The Agency received notification from Treasury Board in December of Fiscal 2004/05 to no longer pursue recovery of these amounts. The Agency has revised its water bomber policy, as disclosed in Note 13 – Water Bomber Reserve Fund.

13. WATER BOMBER RESERVE FUND

The Agency received approval from Treasury Board in Fiscal 2004/05 to establish a special reserve fund for water bomber fire suppression activities. This fund, which will be capped at an amount of $200, will be utilized to cover the costs associated with water bomber deployment for non-forest fire incidents occurring on Rural Municipality property.

14. COMMITMENTS AND CONTINGENCIES

The Office of the Fire Commissioner as tenant has entered into a Lease Agreement with the City of Brandon as Landlord for the land upon which the practical training facility has been constructed. The term of the lease is five (5) years commencing June 1, 2002 and expiring May 31, 2007, with three (3) five-year renewal options. Minimum annual rent is $10 due on equal monthly installments, plus all operating costs with respect to the subject land.

The Office of the Fire Commissioner has entered into 30 vehicle lease agreements and 3 equipment lease agreements which give rise to commitments as follows:

	March 31
2006	$ 170
2007	73
2008	69
2009	37
2010	14
	$ 363

15. PUBLIC SECTOR COMPENSATION

Pursuant to disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to the Advisory Board members. During the fiscal year ended March 31, 2005, the following employees received compensation of wages and taxable benefits of $50 or more:

Name	Position	2005	2004
R. Vandekerkhove	Manager, Operations East	$ 91	$89
D. Popowich	Fire Commissioner	88	85
K. Swan	Investigator	80	84
D. Schafer	Manager, Operations West	78	71
B. Hodge	Comptroller	78	75
G. Favelle	Manager, Critical Incident Stress Management	75	70
W. Harrow	Investigator	74	63
C. Jones	Deputy Fire Commissioner	73	68
C. Hogarth	Investigator	70	70
M. Bedford	Emergency Services Officer	68	62
N. Anderson	Manager, Codes and Standards	67	63
E. Moore	Coordinator, Fire Prevention and Protection	66	54
K. Carmichael	Emergency Services Officer	65	56
R. Denslow	Emergency Services Officer	63	59
D. B. Monkman	Investigator	63	75
R. Gillis	Emergency Services Officer	62	59
R. Pike	Coordinator, Public Fire Paramedic Program	60	58
R. Bridges	Emergency Services Officer	60	59
D. R. Beacham	Special Projects Officer	60	56
P. MacIsaac	Coordinator, Emergency Medical Programs	60	51
R. Harvey	Coordinator, Rescue Programs	59	57
L. Treloar	Technical Services Officer	58	56
M. Jackson	Emergency Services Officer	58	-

15. PUBLIC SECTOR COMPENSATION (continued)

Name	Position	2005	2004
T. Jennings	Technical Services Officer	57	55
K. D. Hykawy	Technical Services Officer	57	55
T. Grimshaw	Technical Services Officer	56	54
S. Wolf	Technical Services Officer	56	55
J. P. Lebel	Manager, Special Projects	56	55
B. D. Popko	Manager, Manitoba Emergency Services College	55	55
A. Gray	Emergency Services Officer	55	54
B. E. Hollier	Manager, Administration and Support Services	55	54
M. Kerbis	Emergency Services Officer/Instructor	55	57
J. Wedge	Technical Services Officer	54	51
K. Lanceley	Emergency Services Officer	54	52
S. Fisher	Emergency Services Officer/Instructor	53	-
J. Tabin	Curriculum Development Officer	52	-
S. Dufresne	Emergency Services Officer/Instructor	52	-
B. J. Metruk	Emergency Services Officer/Instructor	51	55
A. J. Campbell	Manager, Codes and Standards	-	88
M. Lamb	Fire and Life Safety Educator	-	59
D. Singleton	Emergency Services Officer/Instructor	-	53

16. VACATION PAY RECEIVABLE

Effective March 31, 1995, the Office of the Fire Commissioner commenced recording the estimated liability for vacation pay for its employees. The amount of the estimated liability is determined on March 31 of each year based on eligible vacation entitlements.

The Province of Manitoba has accepted responsibility for the vacation pay benefits accumulated to March 31, 1995 by the Office of the Fire Commissioner's employees. Accordingly, the Office of the Fire Commissioner recorded, effective March 31, 1995, a receivable of $248 from the Province of Manitoba, which is an amount that is equal to the estimated liability for vacation pay benefits at March 31, 1995.

This receivable from the Province of Manitoba has no terms of repayment and, accordingly, the amount of this receivable will remain fixed at $248.

17. PENSION BENEFITS

Employees of the Office of the Fire Commissioner are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba the Office of the Fire Commissioner transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Office of the Fire Commissioner was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was $137 (2004 - $134).

FOOD DEVELOPMENT CENTRE

Financial Statements

(In Thousands)

Year Ended March 31, 2005

FOOD
DEVELOPMENT
CENTRE
Growing Opportunities in Food

Responsibility for Financial Reporting

The Agency is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgments. The Agency's financial statements have been audited by The Exchange Group, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and those assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting, and to discuss audit results. The auditors have free and full access to this board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

Barry Todd
C. E. O.

July 15, 2005

Mike Lalla
Manager of Accounting Services

July 15, 2005

TREASURY BOARD
AUG 8 2005
SECRETARIAT

W:\agrfdc\Finance & Administration\Accounting\Responsibility for Financial Reporting.doc

Box 1240 • 810 Phillips Street • Portage la Prairie, Manitoba • R1N 3J9
Toll-Free 1-800-870-1044 • Ph. (204) 239-3150 • Fax (204) 239-3180
A Special Operating Agency of Manitoba Agriculture, Food & Rural Initiatives

FOOD DEVELOPMENT CENTRE

Index to Financial Statements

Year Ended March 31, 2005

Page

AUDITORS' REPORT 1

FINANCIAL STATEMENTS

Balance Sheet 2

Statement of Income and Retained Earnings 3

Statement of Cash Flows 4

Notes to Financial Statements 5 - 10

Administrative Expenses *(Schedule 1)* 11

EXG
THE EXCHANGE
chartered accountants LLP

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Food Development Centre, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2005 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
May 5, 2005

100-123 Bannatyne Ave., Winnipeg, Manitoba R3B 0R3
Telephone: (204) 943-4584 Fax: (204) 957-5195
E-mail: info@exg.ca Website: www.exg.ca

FOOD DEVELOPMENT CENTRE

Balance Sheet

(In Thousands)

March 31, 2005

	2005	2004
ASSETS		
CURRENT		
Cash	$ 462	$ 2
Restricted cash for expansion	-	765
Accounts receivable *(Note 3)*	71	88
Prepaid expenses and deposits	44	169
	577	1,024
EQUIPMENT *(Notes 2, 4)*	2,498	920
BUILDING IN PROGRESS	6,205	4,077
DEPOSIT IN JOINT VENTURE *(Note 5)*	200	-
FUNDS HELD ON DEPOSIT *(Note 6)*	30	29
SEVERANCE RECEIVABLE FROM PROVINCE *(Notes 7, 12)*	41	41
	$ 9,551	$ 6,091
LIABILITIES		
CURRENT		
Working capital payable *(Note 8)*	$ -	$ 922
Accounts payable and accrued liabilities *(Note 9)*	483	945
Accrued vacation pay *(Note 10)*	144	133
Unearned revenue	56	108
Current portion of long term debt *(Note 11)*	18	18
	701	2,126
LONG TERM DEBT *(Note 11)*	213	231
SEVERANCE LIABILITY *(Note 12)*	69	60
DEFERRED CAPITAL CONTRIBUTIONS *(Notes 2, 13)*	8,261	3,367
	9,244	5,784
EQUITY		
Retained earnings	307	307
	$ 9,551	$ 6,091

COMMITMENTS *(Note 15)*

FOOD DEVELOPMENT CENTRE

Statement of Income and Retained Earnings

(In Thousands)

Year Ended March 31, 2005

	2005	2004
REVENUE		
Grants - Province of Manitoba	$ 1,934	$ 1,789
Contract - National Research Council	-	33
Fee for service	163	181
Lease income	17	14
Interest and other income	1	35
Amortization of deferred capital contributions	112	51
	2,227	2,103
DIRECT OPERATING EXPENSES		
Lab supplies	69	46
Purchases services	76	47
Travel	73	53
Salaries	1,039	1,006
Postage, courier and telephone	52	45
Printing and stationery	9	16
Marketing	75	90
Library	36	45
Satellite office	7	7
	1,436	1,355
GROSS PROFIT	791	748
ADMINISTRATIVE EXPENSES *(Schedule 1)*	787	536
INCOME FROM OPERATIONS	4	212
OTHER INCOME	(4)	(6)
NET INCOME	-	206
RETAINED EARNINGS - BEGINNING OF YEAR	307	101
RETAINED EARNINGS - END OF YEAR	$ 307	$ 307

FOOD DEVELOPMENT CENTRE

Statement of Cash Flows

(In Thousands)

Year Ended March 31, 2005

	2005	2004
OPERATING ACTIVITIES		
Cash receipts from customers	$ 145	$ 276
Cash receipts from contracts	1,934	1,822
Cash paid to suppliers and employees	(2,360)	(1,218)
Interest received	1	-
Interest paid	(21)	(4)
Cash flow from (used by) operating activities	(301)	876
INVESTING ACTIVITIES		
Purchase of equipment	(3,870)	(4,263)
Deposit in joint venture	(200)	-
Cash flow used by investing activities	(4,070)	(4,263)
FINANCING ACTIVITIES		
Deferred capital contributions	5,006	66
Proceeds from long term debt	-	249
Repayment of long term debt	(18)	-
Cash flow from financing activities	4,988	315
INCREASE (DECREASE) IN CASH	617	(3,072)
CASH (DEFICIENCY) - BEGINNING OF YEAR	(155)	2,917
CASH (DEFICIENCY) - END OF YEAR	$ 462	$ (155)
CASH (DEFICIENCY) CONSISTS OF:		
Cash	$ 462	$ 2
Restricted cash for expansion	-	765
Working capital payable	-	(922)
	$ 462	$ (155)

FOOD DEVELOPMENT CENTRE

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2005

---

1. NATURE OF ORGANIZATION

Established in 1977, as part of the Manitoba Research Council, the Food Development Centre (the "Centre") serves the agri-food industry by providing a wide range of services in the food, feed and beverage industries. The Centre offers food product development research, testing services and assistance with technology transfer to enable industry to efficiently and economically produce high quality foods.

Effective April 1, 1996, the Centre was designated as a Special Operating Agency by regulation under The Special Operating Agencies Financing Authority Act made by the Lieutenant Governor in Council.

The Centre is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Centre operations. It finances the Centre through repayable loans and working capital advances. The financial framework enables the Centre to operate in a business-like manner according to public policy expectations.

A Management Agreement with the Financing Authority assigns responsibility to the Centre to manage and account for the Centre related assets and operations on behalf of the Financing Authority.

The Centre is a part of the Department of Agriculture, Food and Rural Initiatives under the general direction of a General Manager and a Chief Executive Officer, and ultimately the policy direction of the Deputy Minister and Minister.

The Centre remains bound by relevant legislation and regulations.

The Centre is economically dependent upon the Province of Manitoba, as it derives a significant portion of its revenue from the Province. The transactions with the Province of Manitoba are recorded at the exchange amount, which is the amount agreed upon by both parties.

---

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Equipment

Equipment assumed as part of the conversion to a Special Operating Agency, April 1, 1996 is stated at its estimated fair value as determined by the Province of Manitoba. Equipment is stated at cost less accumulated amortization. Equipment is amortized over its estimated useful life at the following rates and methods:

Equipment and sign - strategic plan	15 years	straight-line method
Equipment and sign	20%	declining balance method
Computer hardware and software	5 years	straight-line method

(continues)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Other Assets

Research and development costs are expended as incurred.

Revenue Recognition

Fee for service revenue is recognized on percentage of completion basis and when collection is reasonably assured.

All funds received and due from the Province of Manitoba at year end have been recognized as income in the current year.

Funds received from the Province of Manitoba and the Government of Canada for the construction of the new building and purchase of equipment have been treated as deferred capital contributions and will be taken into income to match the amortization of the building and equipment.

3. ACCOUNTS RECEIVABLE

The accounts receivable balance is comprised of the following amounts:

	2005	2004
Trade accounts receivable	**$ 133**	$ 159
Allowance for doubtful accounts	**(70)**	(71)
Other	**8**	-
	$ 71	$ 88

4. EQUIPMENT

	Cost	Accumulated amortization	**2005 Net book value**	2004 Net book value
Equipment and sign	$ 2,981	$ 508	**$ 2,473**	$ 884
Computer hardware and software	76	51	**25**	36
	$ 3,057	$ 559	**$ 2,498**	$ 920

Included is equipment with a net book value of $1 (2004- $1), which is being leased to clients of the Centre.

Included in equipment and sign is equipment with a net book value of $916, which was not operational at year end.

5 DEPOSIT IN JOINT VENTURE

During the year, the Centre contributed $200 towards the purchase of a piece of equipment for Great Plains Aseptic Processors Ltd. To date, no formal agreement has been finalized as to the revenue sharing arrangement from this piece of equipment.

6. FUNDS HELD ON DEPOSIT

Effective April 1, 2000, the assets and liabilities of the analytical services division were sold to Norwest Soil Research Ltd. The Centre has received a $25 deposit from Norwest Soil Research Ltd. as part of the sales agreement. Under the agreement, Norwest must maintain certain levels of revenue from work performed in the Province of Manitoba for the cumulative period of five years from the effective date of the agreement. If they fail to meet these conditions, the deposit and accrued interest are forfeited to the Food Development Centre.

For the year ended March 31, 2002 there was a shortfall of $19 in sales, which was received in the prior year. The surplus or shortfall for the years ended March 31, 2003, 2004 and 2005 have not yet been determined.

7. SEVERANCE RECEIVABLE FROM PROVINCE

The receivable from the Province of Manitoba is for severance pay benefits earned by the employees of the Centre to March 31, 1998. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Centre.

8. WORKING CAPITAL PAYABLE

The Centre has an authorized line of working capital form the Province of Manitoba of $1,000 of which $nil was used as at March 31, 2005 (2004 - $922 was used).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2005	2004
Trade	**$ 146**	$ 36
Payroll	**40**	33
Professional fees	**4**	4
Interest	**142**	14
Building	**142**	795
Sales tax	**3**	11
Miscellaneous	**6**	52
	$ 483	$ 945

10 ACCRUED VACATION PAY

The employees of the Centre are entitled to vacation pay in the current year, based on the prior year's employment. A provision for this liability has been recorded in the financial statements.

11. LONG TERM DEBT

		2005		2004
Province of Manitoba loan bearing interest at 5.80 % per annum, with annual payments of $18 plus interest. The loan matures on April 30, 2017.	**$**	**231**	$	249
Amounts payable within one year		**(18)**		(18)
	$	**213**	$	231

Principal repayment terms are approximately:

2006	$	18
2007		18
2008		18
2009		18
2010		18

12. SEVERANCE LIABILITY

Effective April 1, 1998, the Centre commenced recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Centre. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Centre's employees to March 31, 1998. That responsibility is reflected by a $41 receivable from the Province of Manitoba.

An actuarial report was completed February 2001 calculating the severance pay liability balance as at March 31, 2000. This actuarial report provided a formula to update the liability on an annual basis. In accordance with the formula, the Centre's actuarial liability has been calculated to be $69 as at March 31, 2005 (2004 - $60).

13. DEFERRED CAPITAL CONTRIBUTIONS

		2005		2004
Balance, beginning of year	**$**	**3,367**	$	3,351
Add: Contributions received				
Government of Canada		**2,381**		-
Province of Manitoba		**2,625**		-
Add: Interest received		**-**		67
Less: Amount amortized as revenue		**(112)**		(51)
Balance, end of year	**$**	**8,261**	$	3,367

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of equipment and construction of a building. The amortization of contributions is recorded as revenue in the statement of income and retained earnings.

The Centre received a loan from the Province of Manitoba for $2,625 bearing interest at 5.63% per annum, with annual payments of $175 plus interest. The loan matures on May 18, 2019. The loan is to be repaid through future appropriations from the Province of Manitoba and therefore has been treated as a grant and recorded as deferred capital contributions to be consistent with the accounting presentation adopted by the Province of Manitoba.

As the future principal and interest payments will be funded by the Province of Manitoba, the annual principal repayment will be netted against the grant revenue received and the interest payment will be reflected as interest expense. The deferred capital contributions will be brought into income at the same rate as the corresponding building is being amortized.

14. DEFICIENCY IN ASSETS

The Special Operating Agencies Financing Authority and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer, from the Provincial Government to the Financing Authority, of the net assets required for the continuing operations of the Centre. As at April 1, 1996, the date of transfer, the liabilities assumed exceeded the value of the assets in the amount of $35. This amount was recorded as the deficit at April 1, 1996.

15. COMMITMENTS

The Centre is obligated to make payments to Workers Compensation for an employee currently on disability. The total financial impact on the Centre is not determinable since the length of time the payments will be required is unknown.

The Centre has a remaining commitment of $39 towards the completion of the building portion of the expansion project. At March 31, 2005, the Centre has a remaining project budget of $4,680 towards the purchase of equipment for the expansion.

The Centre has not entered into a lease agreement with the Province of Manitoba for its premises.

16. PUBLIC SECTOR COMPENSATION DISCLOSURE

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation exceeding $50 annually to any officer or employee of the Province of Manitoba. The following employees received compensation in excess of $50:

	2005	2004
Utioh, Alphonsus - Process and Product Development Manager	**$ 83**	$ 84
Scott, Pat - General Manager	**88**	88
Lowe, Linda - Librarian/ IT Consultant	**53**	51
Qi, Jiacheng - Process Development Engineer	**54**	54
Schmulgen, Markus - Marketing Manager	**72**	66
Nivet, Meeling - Product Development Team Leader	**57**	-

17. PENSION BENEFIT

In accordance with the provisions of The Civil Service Superannuation Act, employees of the Centre are eligible for pension benefits under the Civil Service Superannuation Fund. This pension plan is a defined benefit plan, which requires the Centre to contribute an amount equal to the employee's contribution to the Fund for current services. The amount contributed and expensed by the Centre in the current year was $68 (2004 - $55).

The Centre has no further liability associated with the annual cost of pension benefits earned by the Centre's employees.

18. FINANCIAL INSTRUMENTS

The Centre's financial instruments consist of cash, restricted cash for expansion, accounts receivable, funds held on deposit, severance receivable, working capital payable, accounts payable and accrued liabilities, accrued vacation payable, unearned revenue, long-term debt, and severance liability. Unless otherwise noted, it is management's opinion that the Centre is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

19. SUBSEQUENT EVENTS

Subsequent to year end, the Centre has been working in negotiating an agreement with Great Plains Aseptic Processors Ltd. for a lease, whereby Great Plains Aseptic Processors Ltd. will be leasing space from the Centre. The agreement has not been signed to date.

20. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

FOOD DEVELOPMENT CENTRE

Administrative Expenses

(Schedule 1)

Year Ended March 31, 2005

		2005		2004
Accreditation and licensing fees	**$**	**1**	$	1
Advisory committee fees		**1**		1
Amortization		**160**		97
Bad debts		**7**		8
Computer expenses		**97**		76
Equipment rentals		**21**		28
Insurance		**52**		35
Interest and bank charges		**7**		1
Interest on long term debt		**142**		17
Memberships		**6**		7
Occupancy expenses		**218**		206
Professional fees		**32**		22
Repairs and maintenance		**35**		19
Research and development		**-**		2
Training		**8**		16
	$	**787**	$	536

The Property Registry An Agency of the Special Operating Agencies Financing Authority Province of Manitoba Financial Statements

(In Thousands)

March 31, 2005

Grant Thornton

The Property Registry
Office d'enregistrement des titres et des instruments
Manitoba Consumer and Corporate Affairs · Manitoba Consommation et Corporations

Management's report

To the Special Operating Agencies Financing Authority

The accompanying financial statements and the information in the Annual Report are the responsibility of the management of The Property Registry. The financial statements have been prepared in accordance with generally accepted accounting principles and include amounts that are based on management's best estimates and judgments.

In support of its responsibility, management has developed and maintains a system of internal controls designed to provide reasonable assurance that transactions are authorized, financial reporting is reliable, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, if required, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.
The financial statements have been audited by our external auditors, Grant Thornton, who report to the Special Operating Agencies Financing Authority.

On behalf of Management,

Richard M. Wilson, B.A., L.L.B. Registrar General and Chief Operating Officer	Brian Strong, C.M.A Director Finance and Systems

1405 - 405 Broadway · bureau 1405 · Winnipeg · Manitoba · R3C 3L6
Telephone / Téléphone : (204) 945-3803 · Fax / Télécopieur : (204) 948-3276

Contents

	Page
Auditors' Report	1
Balance Sheet	2
Statements of Earnings and Retained Earnings	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-9
Schedule 1 - Operating Expenses	10
Schedule 2 - Public Sector Compensation Disclosure	11

Grant Thornton

Grant Thornton LLP
Chartered Accountants
Management Consultants

Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of **The Property Registry, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba** as at March 31, 2005 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Winnipeg, Canada
May 20, 2005

Chartered Accountants

900 - One Lombard Place
Winnipeg, Manitoba
R3B 0X3
T (204) 944-0100
F (204) 957-5442
E Winnipeg@GrantThornton.ca
W www.GrantThornton.ca

Canadian Member of Grant Thornton International

The Property Registry

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Balance Sheet

(In Thousands)

March 31	2005	2004
Assets		
Current		
Cash and short-term investments	$ 8,340	$ 8,312
Customer deposits	1,176	1,152
Accounts receivable (Note 3)	442	229
Prepaid expenses	71	70
	10,029	9,763
Due from Province of Manitoba (Note 4)	1,602	1,602
Capital assets, net of accumulated amortization (Notes 2 and 5)	592	496
	$ 12,223	$ 11,861
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 1,100	$ 1,107
Deferred revenue	1,177	1,155
Land titles assurance fund (Note 6)	23	43
Severance payable (Note 7)	326	301
Current portion of capital lease obligations	5	20
	2,631	2,626
Long-term severance payable (Note 7)	977	904
Capital lease obligations		6
	3,608	3,536
Equity		
Retained earnings	8,615	8,325
	$ 12,223	$ 11,861

Commitments (Note 9)

See accompanying notes to the financial statements

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statements of Earnings and Retained Earnings

(In Thousands)

Year Ended March 31	2005	2004
Revenues		
Land transfer tax (Note 10)	$ 23,474	$ 18,310
Fee revenue - Land Titles	13,418	11,213
Fee revenue - Personal Property Registry	5,398	5,474
Cost recoveries and fee waiver (Note 2)	814	688
Interest income	166	186
	43,270	35,871
Less: Tax revenues transferred to Province	(23,474)	(18,310)
	19,796	17,561
Expenses		
Salaries and employee benefits	8,222	7,918
Operating expenses (Schedule 1)	4,051	4,133
Contributed services	266	281
Amortization	167	163
	12,706	12,495
Net earnings	$ 7,090	$ 5,066

Retained earnings, beginning of year	$ 8,325	$ 6,759
Net earnings	7,090	5,066
Net earnings paid to the Province of Manitoba	(6,800)	(3,500)
Retained earnings, end of year	$ 8,615	$ 8,325

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statement of Cash Flows

(In Thousands)

Year Ended March 31	2005	2004
Increase (decrease) in cash and cash equivalents		
Cash flows from (used in) operating activities		
Net earnings	$ 7,090	$ 5,066
Amortization	167	163
	7,257	5,229
Changes in non-cash operating working capital		
Customer deposits	(24)	9
Accounts receivable	(213)	(126)
Prepaid expenses	(1)	(16)
Due from Province of Manitoba		20
Accounts payable and accrued liabilities	(7)	117
Deferred revenue	22	(8)
Land titles assurance fund deposits	(20)	9
Severance payable - current portion	25	(15)
Severance payable - long term portion	73	(44)
	7,112	5,175
Cash flows from (used in) investing activities		
Purchase of capital assets	(263)	(313)
Cash flows from (used in) financing activities		
Obligations under capital lease	(21)	(17)
Net earnings paid to the Province of Manitoba	(6,800)	(3,500)
	(6,821)	(3,517)
Net increase in cash and cash equivalents	28	1,345
Cash and cash equivalents		
Beginning of year	8,312	6,967
End of year	$ 8,340	$ 8,312

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Notes to the Financial Statements
(In Thousands)
March 31, 2005

1. Nature of organization

Effective April 1, 1997, the Lieutenant Governor in Council designated The Property Registry as a Special Operating Agency under The Special Operating Agencies Financing Authority Act. The order also directed the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs to enter into a management agreement with respect to The Property Registry. The Property Registry was established to operate the Land Titles and Personal Property Registry offices on a self-sustaining financial basis while providing a standard of service that will meet the needs of its clients.

The Property Registry is part of the Department of Finance under the general direction of the Assistant Deputy Minister for Consumer and Corporate Affairs, who is also Chairperson of The Property Registry's Advisory Board. The Property Registry remains bound by relevant legislation, regulation and administrative policy as specified in its operating charter.

The Property Registry's financial contribution to the Province of Manitoba is included in the Manitoba Estimates of Revenue and Expenditure - Special Operating Agencies.

2. Summary of significant accounting policies

Basis of reporting

The financial statements of the Agency have been prepared in accordance with Canadian generally accepted accounting principles.

Capital assets

Capital assets are recorded at cost and amortization is computed using the straight-line method based on remaining estimated useful lives, after allowance for salvage value, where applicable as follows:

Computer system	20% (10% in year of acquisition)
Office equipment	20%
Leasehold improvements	10%
Equipment under capital lease	20%

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Cost recoveries and fee waiver

Included in revenues are recoveries of costs or fee equivalent for services provided to other provincial government offices where no statutory provision precludes cost recovery.

Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Financial instruments

The Agency's financial instruments consist of cash and short-term investments, customer deposits, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, deferred revenue, land titles assurance fund, severance payable and capital lease obligations. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Revenue recognition

Revenue is recognized when the services have been performed.

3. Accounts receivable

The following items are included in accounts receivable:

	2005	2004
Trade receivable	$ 383	$ 187
Receivable from government and departments	59	42
	$ 442	$ 229

4. Due from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of certain agencies prior to their designation as Special Operating Agencies (SOAs). It also includes severance pay benefits earned by SOA employees to March 31, 1998. The balance is comprised of:

	2005	2004
Vacation entitlements	**$ 526**	$ 526
Severance pay benefits	**1,076**	1,076
	$ 1,602	$ 1,602

The timing of the collection of these receivables will vary for each SOA. The receivable, or portion thereof, for an individual SOA will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of an SOA.

5. Capital assets

	Cost	Accumulated Amortization	**2005 Net Book Value**	2004 Net Book Value
Computer system	$ 383	$ 219	**$ 164**	$ 119
Office equipment	569	434	**135**	120
Leasehold improvements	487	215	**272**	222
Equipment under capital lease	70	49	**21**	35
	$ 1,509	$ 917	**$ 592**	$ 496

6. Land titles assurance fund

Claims for loss as provided for in The Real Property Act are paid from this fund. The Agency's Land Titles Branch is responsible for the collection of deposits and the defence against claims on this fund. Claims in excess of the fund balance are paid out of the Consolidated Revenue Fund.

7. Severance payable

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for it's employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998, calculated at $1,041 was completely offset by a receivable from the Province. There are no fixed terms for payment.

The receivable from the Province will only be collected, in whole or in part, in the event there is a cash short fall in the Agency. This is only likely to happen on the dissolution of the Agency.

An actuarial valuation report of the Agency's severance as at March 31, 2000, was completed in 2001. The liability as at March 31, 2000, was restated to $1,116 and the receivable from the Province was restated to $1,076 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $1,303 as at March 31, 2005.

8. Pension benefits

Employees of The Property Registry are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba The Property Registry transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, The Property Registry was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was $339 (2004 - $337).

9. Commitments

The Agency has entered into a Memorandum of Understanding with Manitoba Government Services (MGS) to lease its premises. The accommodation charges are established annually by MGS, and are based on its approved budget.

The Agency has also entered into agreements to lease equipment. These agreements carry various terms and conditions.

The estimated minimum lease payments for the premises and equipment in aggregate for each of the next five years are as follows:

	Premises	Equipment	Total
2006	$ 832	$ 83	$ 915
2007	848	85	933
2008	864	87	951
2009	900	90	990
2010	900	90	990
Total minimum lease payments	$ 4,344	$ 435	$ 4,779

10. Land transfer tax

Land transfer tax is administered and collected by The Property Registry. Tax collected less refunds issued is remitted to the Consolidated Revenue Fund of the Province of Manitoba. Adjustments and refunds of land transfer tax are paid out of Department of Finance under the advice of the Registrar General.

The Property Registry

Schedule 1

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Operating Expenses

(In Thousands)

Year Ended March 31,	2005	2004
Better Systems Initiative	$ 1,332	$ 1,406
Computer processing	328	300
Department services	68	68
Desktop services	458	440
Equipment lease	60	61
Interest and bank charges	31	27
Occupancy costs	692	681
Office supplies and printing	149	177
Postage and delivery	135	187
Professional fees	31	42
Publications and subscriptions	21	20
Records preservation project	258	260
Repairs and maintenance	84	81
Special surveys	75	92
Sundry	19	11
Survey remonumentation program	172	151
Telephone	71	72
Training and staff development	58	35
Travel	9	22
	$ 4,051	$ 4,133

The Property Registry Schedule 2

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Public Sector Compensation Disclosure

(In Thousands)
Year Ended March 31, 2005

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50,000 per annum. This information is as follows:

Employee	Position	Amount
Ayotte, R.	Acting/Survey Examiner	$ 55
Barrault, K.	Programmer/Business Analyst	56
Brown, W. G.	Assistant District Registrar	52
Cass, A. B.	Survey Examiner	51
Cavers, H. G.	Project Director, Business Services	78
Cavers, R. G.	Release Manager	65
Crierie, R. F.	Manager of Acceptance	50
Crockatt, D.	Registrar, Personal Property Security	65
Cruse, F. H.	Document Examiner	52
Davidson, R. E.	Senior Deputy District Registrar	96
Effler, B. C.	Deputy Registrar General, District Registrar	109
Fraser, G. R. S.	Examiner of Surveys	84
Fraser, J.	Deputy District Registrar	96
Friesen, P. J.	Document Examiner	51
Greengrass, F. G.	Document Examiner	50
Hutch, R. W.	Manager of Examinations	50
Johnston, B. G.	District Registrar	85
Johnston, W.	Survey Examiner	51
Kushniruk, J.	District Registrar	105
Lillie, G.	District Registrar	87
Lund, G. A.	Deputy Examiner of Surveys	69
Madsen, B. O.	Acting Director of Operations	55
McEachern, B. C.	Assistant Deputy Registrar	52
Pauls, I	Database Administrator	67
Russell, C.	District Registrar	90
Scott, G. D.	Assistant District Registrar	57
Simmons, I.	Deputy District Registrar	58
Sims, E.	District Registrar	89
Stevenson, A.C.	Computer and Systems Coordinator	55
Strong, E.B.	Director, Finance and Systems	72
Stupak, D.	Network Administrator	50
Wilson, R. M.	Registrar General and Chief Operating Officer	113

THE MANITOBA SECURITIES COMMISSION

Financial Statements

For the year ended March 31, 2005

BDO Dunwoody LLP
Chartered Accountants
and Advisors

THE MANITOBA
SECURITIES
COMMISSION

The Manitoba Securities Commission's management is responsible for preparing the financial statements and other financial information in the Annual Report. These financial statements were prepared by management in accordance with Canadian Generally Accepted Accounting Principles. The financial statements include amounts that are based on management's best estimates and judgments. BDO Dunwoody, independent external auditors, audited the Commission's financial statements.

The Commission maintains accounting and internal control systems to provide reasonable assurance that its financial information is reliable and accurate and that its assets are adequately protected.

The Commission's management meets regularly to review the financial statements and accounting practices. The auditors are given free and full access to management, if required to discuss results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

On behalf of management,

Donald G. Murray

Chair and C.E.O.

Robert B. Bouchard

Chief Administrative Officer

Marlene Nemes

Controller

May 20, 2005

TREASURY BOARD

JUN 15 2005

SECRETARIAT

0-405 Broadway
nnipeg, Manitoba
C 3L6
: (204) 945.2548
: (204) 945.0330
w.msc.gov.mb.ca

THE MANITOBA SECURITIES COMMISSION

Financial Statements

For the year ended March 31, 2005

Contents

Auditors' Report 2

Financial Statements

Balance Sheet 3

Statement of Income 4

Statement of Retained Earnings 5

Statement of Cash Flows 6

Summary of Significant Accounting Policies 7

Notes to Financial Statements 8

Supplementary Information to the Financial Statements

Schedule of Operating Expenses 11

Schedule of Public Sector Compensation Disclosure 12

BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors
www.bdo.ca

700 - 200 Graham Avenue
Winnipeg Manitoba Canada R3C 4L5
Telephone (204) 956-7200
Telefax (204) 926-7201

Auditors' Report

To The Special Operating Agencies Financing Authority:

We have audited the balance sheet of **THE MANITOBA SECURITIES COMMISSION**, An Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2005 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 20, 2005

THE MANITOBA SECURITIES COMMISSION

Balance Sheet

(in thousands)

March 31	2005	2004
Assets		
Current Assets		
Cash and short-term deposits (Note 2)	$ 2,863	$ 3,314
Accounts receivable (Note 3)	12	14
Prepaid expenses	26	37
	2,901	3,365
Restricted short-term deposits (Note 4)	1,000	1,000
Receivable from the Province of Manitoba (Note 5)	269	269
Capital assets (Note 6)	286	214
	$ 4,456	$ 4,848
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 7	$ 31
Accrued vacation entitlements (Note 7)	185	174
Accrued salaries and benefits	73	67
	265	272
Severance pay liability (Note 8)	172	154
	437	426
Commitments and contingency (Notes 9 and 12)		
Reserve Fund (Note 10)	1,000	1,000
Retained earnings (Page 5)	3,019	3,422
	4,019	4,422
	$ 4,456	$ 4,848

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION
Statement of Income
(in thousands)

For the year ended March 31	2005	2004
Revenue		
Fees	$ 9,757	$ 8,942
Interest	78	121
Miscellaneous	3	1
	9,838	9,064
Expenses		
Salaries and benefits	2,159	2,048
Operating expenses (Page 11)	1,023	1,007
Amortization - capital assets	59	186
	3,241	3,241
Net earnings for the year (Page 5)	$ 6,597	$ 5,823

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION
Statement of Retained Earnings
(in thousands)

For the year ended March 31		2005		2004
Retained earnings, beginning of year	$	3,422	$	3,299
Net earnings for the year (Page 4)		6,597		5,823
Disposition of surplus operating funds (Note 11)		(7,000)		(5,700)
Retained earnings, end of year (Page 3)	$	3,019	$	3,422

The accompanying summary of signficant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION

Statement of Cash Flows

(in thousands)

For the year ended March 31	2005	2004
Cash Flows from Operating Activities		
Net earnings for the year	$ 6,597	$ 5,823
Adjustment for		
Amortization - capital assets	59	186
	6,656	6,009
Changes in non-cash working capital		
Accounts receivable	1	21
Prepaid expenses	11	(12)
Accrued liabilities	(24)	25
Accrued vacation entitlements	12	(21)
Accrued salaries and benefits	6	20
Severance pay liability	18	(10)
	24	23
	6,680	6,032
Cash Flows from Investing Activities		
Acquisition of capital assets	(131)	(98)
Cash Flows from Financing Activities		
Disposition of surplus operating funds	(7,000)	(5,700)
Net increase (decrease) in cash and cash equivalents	(451)	234
Cash and cash equivalents, beginning of year	3,314	3,080
Cash and cash equivalents, end of year	$ 2,863	$ 3,314
Supplementary information:		
Interest received	$ 79	$ 118

The accompanying summary of signficant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION
Summary of Significant Accounting Policies

March 31, 2005

Basis of Reporting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Capital Assets

Capital assets are recorded at cost and amortized over their estimated lives as follows:

Office equipment	20% straight-line
Furniture and fixtures	20% straight-line
Leasehold improvements	10% straight-line
Computer hardware	20% straight-line
Computer software	20% straight-line

The half-year rule is used in the year of acquisition.

Revenue Recognition

Fees and cost recoveries are recognized when received. Investment income is recorded in accordance with terms of the related investment.

Financial Instruments

The Commission's financial instruments consist of cash and short-term deposits, accounts receivable, restricted short-term deposits, amounts due from related parties, and accounts payable and accrued liabilities. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Nature of Organization

Effective April 1, 1999 the Lieutenant Governor in Council designated the The Manitoba Securities Commission as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. c.S185) by Order in Council No. 144/1999. The Order also gave approval to the Special Operating Agencies Financing Authority and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Commission, at that time, to enter into a management agreement with respect to the Commission.

The Management Agreement between the Financing Authority and the Minister of Consumer and Corporate Affairs assigns responsibility to manage the assets transferred to The Manitoba Securities Commission in delivering regulated services to clients.

2. Cash and Short-term Deposits

The Commission invests all surplus cash in short-term deposits with the Province of Manitoba, which are made up of thirty, sixty and ninety day callable term deposits.

3. Accounts Receivable

	2005	2004
Accrued interest	$ 11	$ 12
Trade	1	2
	$ 12	$ 14

4. Restricted Short-term Deposits

The Commission maintains separate short-term deposits with the Province of Manitoba to fund expenses which may arise with respect to the Reserve Fund (Note 10).

5. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation and severance pay entitlement earned by employees of the Commission prior to creation of the SOA as at April 1, 1999. This receivable, or portion thereof for the Commission, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Commission.

6. Capital Assets

	2005		2004	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	$ 26	$ 19	$ 28	$ 16
Furniture and fixtures	128	109	126	86
Leasehold improvements	113	57	113	46
Computer hardware	121	117	117	117
Computer software	822	622	604	603
Computer system conversion - work in progress	-	-	94	-
	$ 1,210	$ 924	$ 1,082	$ 868
Cost less accumulated amortization		$ 286		$ 214

7. Accrued Vacation Entitlements

The Commission follows the policy of the Department of Finance to recognize the vacation entitlement liability accumulated to March 31, 1999. The liability at this date is offset by a receivable from the Province and was $117 as at March 31, 1999. Any subsequent changes to the entitlement are reflected as a current year expense to the Commission. As at March 31, 2005 there was an increase to the entitlement in the amount of $11. The accrued vacation entitlement was $185 as of March 31, 2005 (2004 - $174).

8. Severance Pay Liability

Effective April 1, 1999, the Commission began recording accumulated severance pay benefits for its employees. The estimate of the liability at that time was based on an actuarial valuation report.

The Province has accepted responsibility for the severance benefits accumulated by the Commission's employees to March 31, 1999. Accordingly, the opening severance pay liability balance as at April 1, 1999 calculated at $152 was completely offset by a receivable from the Province.

The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Commission's actuarial liability has been calculated to be $172 as at March 31, 2005 (2004 - $154).

9. Lease Commitment

The Commission has not entered into a lease agreement with the Province of Manitoba for rental of facilities at 405 Broadway. Occupancy charges for the year ended March 31, 2005 were $145.

10. Reserve Fund

The Commission has established a Reserve Fund to finance extraordinary expenses for isolated and unanticipated purposes that are regulatory in nature, and for changes in market activity that have an effect on revenues.

11. Disposition of Surplus Operating Funds

The disposition of surplus operating funds consists of payments made to the Consolidated Revenue Fund of the Province of Manitoba according to Treasury Board Directives.

12. Contingency

The Commission has been named as defendant in a statement of claim. At the time of preparation of these financial statements, the outcome of this claim was undeterminable. The cost of a future settlement, if any, will be reflected as an expense in the year paid.

13. Pension Benefits

Employees of The Manitoba Securities Commission are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, The Manitoba Securities Commission transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, The Manitoba Securities Commission was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was $92 (2004 - $84).

THE MANITOBA SECURITIES COMMISSION
Schedule of Operating Expenses
(in thousands)

For the year ended March 31

	2005	%	2004	%
Contract services	$ 410	40	$ 394	39
Premises	149	15	147	15
Office materials and supplies	69	7	100	10
Professional services	76	7	72	7
Travel	63	6	72	7
Telecommunications	59	6	58	6
CSA initiatives	68	7	36	4
Research resources	32	3	34	3
Education/Information initiatives	51	4	36	3
Staff development	26	3	21	2
Miscellaneous	12	1	27	3
Professional membership and dues	8	1	10	1
	$ 1,023	100	$ 1,007	100

THE MANITOBA SECURITIES COMMISSION

Schedule of Public Sector Compensation Disclosure

(in thousands)

For the year ended March 31, 2005

Employee	Title	Compensation
Don Murray	Chairman & CEO	$ 123,141
Bob Bouchard	CAO & Director of Capital Markets	91,008
Doug Brown	Director of Legal & Enforcement & Secretary to the Commission	110,822
Chris Besko	Assistant Legal Counsel	83,574
Kim Laycock	Assistant Legal Counsel	88,867
Steven Gingera	Assistant Legal Counsel	87,888
Marlene Nemes	Controller	57,953
Wayne Bridgeman	Senior Analyst	63,209
Ainsley Cunningham	Information Officer	54,119
William Baluk	Deputy Registrar - Compliance	66,409
Chris Kowalski	Deputy Registrar - Real Estate	55,268
Jan Banasiak	Senior Investigator	67,164
Paula White	Compliance Officer	51,879
Jason Roy	Investigator	55,268
Isilda Tavares	Registration Officer	55,268

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum.